

9505. Also, petition of the Ohio State chapters of the Railroad Employees' National Pension Association (Inc.), urging enactment of railway pension bills, S. 4646 and H. R. 9891, and expressing opposition to Senate bill 3892 and House bill 10023; to the Committee on Interstate and Foreign Commerce.

9506. Also, petition of the Railway Business Association of Chicago, Ill., indorsing recommendations of the United States Chamber of Commerce in its referendum No. 62, especially those which follow the provisions of House bill 11642; to the Committee on Interstate and Foreign Commerce.

9507. Also, letter from E. I. Rogers, president the Peoria Association of Commerce, Peoria, Ill., urging repeal retroactively of the recapture clause of the transportation act and the modification of the provisions relating to railway valuation; to the Committee on Interstate and Foreign Commerce.

9508. Also, resolution of the National Cooperative Milk Producers' Federation, passed at a special national meeting in Chicago, Ill., January 6, urging inclusion of dairy products in the pending domestic allotment bill (H. R. 13991) for the relief of agriculture; to the Committee on Agriculture.

9509. By the SPEAKER: Petition of the American Historical Association, urging Congress to authorize the continuance of the publication by the United States Government of the official papers of the Territories from which States have been formed, as an important part of the papers of these States and as an important contribution to the understanding of American history; to the Committee on the Library.

9510. By Mr. HARLAN: Petition of Laura C. Harb and other citizens of Preble County, Ohio, urging support of the stop-alien representation amendment to the United States Constitution to count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9511. By Mr. KOPP: Petition of Ida B. Hough and other citizens of West Chester, Iowa, urging support of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9512. By Mr. LINDSAY: Petition of New York County Lawyers Association, New York City, opposing the Irving Trust Co.'s monopoly of receiverships; to the Committee on the Judiciary.

9513. Also, petition of Institute of American Meat Packers, Chicago, Ill., opposing House bill 13991, the national emergency act; to the Committee on Agriculture.

9514. Also, petition of George Kramer, of the David Vangelder Executive Committee, New York State Retail Meat Dealers Association, New York City, opposing any domestic allotment plan which will include hogs; to the Committee on Agriculture.

9515. By Mr. MEAD: Petition of the National Wholesale Druggists' Association, advocating the return of the 2-cent postage rate; to the Committee on Ways and Means.

9516. Also, petition of C. A. Finnegan and Thad M. Nowak, of Buffalo, N. Y., proposing a Federal tax law; to the Committee on Ways and Means.

9517. By Mr. RUDD: Petition of 11 metropolitan branches of the New York State Retail Meat Dealers Association, opposing any domestic allotment plan which will include hogs; to the Committee on Agriculture.

9518. By Mr. RICH: Petition of citizens of Williamsport, Pa., favoring the so-called stop-alien representation amendment to the Constitution; to the Committee on the Judiciary.

9519. By Mr. SPARKS: Petition of citizens of Sherman County, submitted by Elmer E. Euwer and signed by 79 others; citizens of Victoria, submitted by B. Anderson and signed by 59 others; and depositors of banks in Lincoln County, submitted by Harve Hartzett and C. E. Myers and signed by 247 others; all of the State of Kansas, requesting repeal of the Federal bank-check tax (sec. 751, F. R. A., 1932); to the Committee on Ways and Means.

9520. By Mr. STEWART: Petition of Union County Organization of the American Legion, Department of New

Jersey, petitioning the Congress to provide for the continuing of 48 drills for the United States Naval Reserve and the National Guard during the fiscal year beginning July 1, 1933; to the Committee on Appropriations.

9521. By Mr. STRONG of Pennsylvania: Petitions of Woman's Christian Temperance Union of Corsica, and congregation of the United Presbyterian Church of Blairsville, Pa., favoring the amending of the Constitution of the United States to exclude aliens, and count only American citizens, when making future congressional apportionments; to the Committee on the Judiciary.

## SENATE

THURSDAY, JANUARY 12, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LONG and Mr. FESS rose.

The VICE PRESIDENT. The Senator from Ohio—

Mr. LONG. Mr. President, I have the floor.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. Does the Senator wish to suggest the absence of a quorum?

Mr. FESS. Yes.

Mr. LONG. I yield for that purpose.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Schuyler
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shortridge
Bankhead	Davis	King	Smith
Barbour	Dickinson	La Follette	Smoot
Barkley	Dill	Logan	Steiwer
Bingham	Fess	Long	Swanson
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Townsend
Bratton	Glass	Metcalf	Trammell
Broussard	Glenn	Moses	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Bulow	Gore	Norbeck	Wagner
Byrnes	Grammer	Norris	Walcott
Capper	Hale	Nye	Walsh, Mass.
Caraway	Harrison	Oddie	Walsh, Mont.
Carey	Hastings	Patterson	Watson
Cohen	Hatfield	Pittman	Wheeler
Connally	Hayden	Reynolds	White
Coolidge	Hebert	Robinson, Ark.	
Copeland	Howell	Robinson, Ind.	
Costigan	Hull	Schall	

Mr. MOSES. I desire to announce that the senior Senator from Pennsylvania [Mr. REED] is absent from the Senate because of illness. I ask that this announcement may stand for the day.

Mr. LA FOLLETTE. I have been requested to announce that the senior Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably absent. I ask that this announcement may stand for the day.

I also desire to announce that the senior Senator from Iowa [Mr. BROOKHART] is detained from the Senate on account of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

### SENATOR FROM GEORGIA

Mr. GEORGE. Mr. President, Hon. RICHARD B. RUSSELL, Jr., Senator elect, succeeding the late William J. Harris as a Senator from the State of Georgia, is present in the Chamber and ready to take the oath.

The VICE PRESIDENT. Let the Senator elect come forward and be sworn. The credentials have already been read and placed on file.

Mr. RUSSELL, escorted by Mr. GEORGE, advanced to the Vice President's desk; and the oath having been administered to him, he took his seat in the Senate.

### COLUMBIA INSTITUTION FOR THE DEAF

The VICE PRESIDENT. In accordance with section 4863 of the Revised Statutes, the Chair appoints the Senator

from New York [Mr. COPELAND] as a director of the Columbia Institution for the Deaf, to fill the vacancy caused by the death of Hon. Wesley L. Jones, late a Senator from the State of Washington.

#### VISITORS TO NAVAL ACADEMY

The VICE PRESIDENT. In accordance with the provisions of the act of August 29, 1916, the Chair appoints the Senator from Virginia [Mr. SWANSON], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Massachusetts [Mr. WALSH], and the Senator from Colorado [Mr. SCHUYLER] as members of the Board of Visitors on the part of the Senate to visit the United States Naval Academy at Annapolis, Md.

Under the law the chairman of the Committee on Naval Affairs of the Senate, the Senator from California [Mr. SHORTRIDGE], is an ex officio member of the Board of Visitors.

#### FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, copies of the certificates of the Governors of the States of Alabama, Arizona, California, Connecticut, Iowa, Mississippi, Missouri, Montana, New York, North Carolina, Ohio, Utah, Virginia, Washington, and West Virginia of the final ascertainment of electors for President and Vice President in their respective States at the election of November 8, 1932, which were ordered to lie on the table.

He also laid before the Senate a letter from the Acting Secretary of State, transmitting, pursuant to law, copies of the certificates of the Governors of the States of Florida, Idaho, Kentucky, Nebraska, New Jersey, North Dakota, South Carolina, South Dakota, and Wyoming of the final ascertainment of electors for President and Vice President in their respective States at the election of November 8, 1932, which were ordered to lie on the table.

#### REPORT OF GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

The VICE PRESIDENT laid before the Senate a letter from Hamilton & Hamilton, attorneys, Washington, D. C., transmitting, pursuant to law, the annual report of the Georgetown Barge, Dock, Elevator & Railway Co. for the year ended December 31, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

#### SENATOR FROM NORTH CAROLINA

Mr. BAILEY presented the credentials of ROBERT R. REYNOLDS, chosen a Senator from the State of North Carolina for the term commencing on the 4th day of March, 1933, which were read and ordered to be placed on file, as follows:

#### EXECUTIVE DEPARTMENT, STATE OF NORTH CAROLINA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, ROBERT R. REYNOLDS was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, O. Max Gardner, and our seal hereto affixed at Raleigh, this the 16th day of December, A. D. 1932.

O. MAX GARDNER,  
Governor.

By the governor:  
[SEAL.]

J. A. HARTNESS,  
Secretary of State.

#### PETITIONS AND MEMORIALS

Mr. CAPPER presented a petition of sundry citizens of Newton, Kans., praying for the repeal of the tax on bank checks, which was referred to the Committee on Finance.

Mr. GRAMMER presented a resolution adopted by the auxiliary to American Legion Post No. 9, of Spokane, Wash., protesting against proposed cuts in amounts to be appropriated for veterans' benefits, which was referred to the Committee on Finance.

He also presented petitions of members of the Clear Lake Woman's Christian Temperance Union and also sundry citizens of Seattle, all in the State of Washington, praying for the retention of the eighteenth amendment to the Constitu-

tion and the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented a memorial of sundry citizens of the State of New York, remonstrating against the repeal of the eighteenth amendment of the Constitution or the repeal or modification of the national prohibition act, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Wyoming County Pomona Grange, Gainesville, N. Y., favoring the strict enforcement of the eighteenth amendment to the Constitution and opposing the return of light wines and beer, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by members of local branches of the Dairymen's League Cooperative Association, of Cortland County, N. Y., favoring the passage of legislation to change the present monetary ratio and basis so as to effect reflation of the currency, which was referred to the Committee on Banking and Currency.

He also presented a letter in the nature of a memorial from the medical staff of the Emergency Hospital, Buffalo, N. Y., remonstrating against "wasteful extravagance" in the building and maintenance of Government hospitals for the care of veterans, and stating "that civilian hospitals now operating and fully equipped can amply accommodate all veterans in need of hospital care," and also remonstrating against the granting of pensions or compensation to veterans for disability not connected with the service, which was referred to the Committee on Finance.

#### NATIONAL DEFENSE—TRAINING OF RESERVE OFFICERS

Mr. SCHALL. Mr. President, I am in receipt of a letter from the Chamber of Commerce of Duluth, Minn., inclosing their recommendations on national defense. I ask that it be printed in the RECORD and referred to the appropriate committee.

I am also in receipt of a letter from Lieut. Mansfield W. Nelson, president of the Duluth chapter of the Reserve Officers' Association of the United States, Duluth, Minn., which I ask be printed in the RECORD and referred to the committee.

There being no objection, the matter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

DULUTH CHAMBER OF COMMERCE,  
Duluth, Minn., January 6, 1933.

HON. THOMAS D. SCHALL,

United States Senate, Washington, D. C.

MY DEAR MR. SCHALL: At the last meeting of the board of directors of the Duluth Chamber of Commerce the inclosed recommendations on national defense were presented to it by the national defense committee of our organization. The board did not feel capable of passing on the demands of these recommendations, but definitely went on record in favor of an adequate national-defense policy generally consistent with the national defense act.

I have been requested to pass this action along to you for your guidance and information as to our attitude on the national-defense question.

Yours very truly,

DULUTH CHAMBER OF COMMERCE,  
J. R. PRATT, Secretary.

To: The national defense committee of the Duluth Chamber of Commerce.

From: Special committee appointed by Vice Chairman Reed for recommendation on the civilian national-defense program.

Your committee recommends the following outline for a legislative program to be urged for immediate action by the directors of the chamber of commerce:

- (a) Sufficient appropriations to provide for and maintain a Regular Army of not less than 14,000 officers and 165,000 enlisted men;
- (b) Sufficient appropriations to build and maintain a Navy of treaty strength with full complements of officers and men;
- (c) Sufficient appropriations to provide 48 armory drills and 15-day field training for the National Guard, and further to increase the man power of the National Guard to 210,000 officers and enlisted men, as provided in the national defense act;
- (d) Sufficient appropriations to provide 14-day active-duty training with pay for not less than 23,000 members of the Officers' Reserve Corps during the fiscal year 1933-34. Active-duty training to be increased by 3,000 reserve officers each year until the maximum of 32,000 reserve officers are ordered to 14-day active-duty training camps annually;
- (e) Sufficient appropriations to provide 48 pay drills and 15-day active-duty training for all members of the Fleet Navy Reserve



and Fleet Marine Corps Reserve and 15-day training for 20 per cent of Volunteer Naval Reserve officers;

(f) Sufficient appropriations to graduate 8,000 Reserve Officers' Training Corps cadets into the Officers' Reserve Corps annually, together with the required (six weeks) amount of active-duty field training;

(g) Sufficient appropriations to provide 30-day training for not less than 40,000 trainees at citizens' military training camps annually; and

(h) Sufficient appropriations to provide annually for the national rifle matches at Camp Perry and aid to civilian rifle clubs.

**DULUTH CHAPTER, RESERVE OFFICERS  
ASSOCIATION OF THE UNITED STATES,  
Duluth, Minn., January 6, 1933.**

HON. THOMAS D. SCHALL,

*Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: Duluth Chapter, Reserve Officers Association of the United States, desires to refute the charges understood to emanate from the Hon. ROSS COLLINS, of Mississippi, chairman of the Military Affairs Committee of the House, to effect that reserve officers with World War experience will be physically unfit for service in the event of an emergency; and that, therefore, funds expended for their training are wasted.

Congressman COLLINS overlooks the fact that reserve officers who receive such training are each required to pass a physical examination at the time they report for duty at the training camps. If any particular officer is in the "superannuated class," he will be automatically eliminated and no funds will be expended for his training.

I am inclosing herewith the biographies of a few typical reserve officers of this city to indicate to you what manner of citizens and taxpayers of this country are interested in this phase of our national-defense program. I hope that they may be of some assistance to you in counteracting the vicious and false propaganda that is being circulated with reference to the business and professional men of our country who are willing to give of their time and effort for the sake of national defense.

We will be glad to furnish you with more data if you so desire. In these troubled times, when the peace of the world is at stake, when foreign countries dare to openly repudiate their just debts to the United States, it would seem a poor time to tear down what little vestige of national defense that we still have left. Stand by the good old United States of America. We are counting on you.

Respectfully yours,

MANSFIELD W. NELSON,  
*First Lieutenant, Coast Artillery Reserve, President.*

**BIOGRAPHICAL SKETCHES OF TYPICAL RESERVE OFFICERS OF DULUTH, MINN.**

**(A) Officers with World War experience**

1. Tenney, Frank C., lieutenant colonel Coast Artillery Reserve, vice president of the Tenney Co., grain commission merchants, Minneapolis and Duluth. Born at Minneapolis, Minn., November 13, 1883. Attended Lawrenceville school. Graduate of Harvard, Class of 1907. Following graduation, entered grain commission business in Minneapolis, organizing his own company in 1909. In 1914 he moved to Duluth as vice president of the company. In 1924 he became interested in the Clifton Manufacturing Co., manufacturers of rubber goods, at Boston, Mass. Was president of that corporation from 1924 to 1929, when the business was disposed of. During this period he divided his time between Duluth and Boston. Actively interested in civic affairs as member of various committees of Duluth Chamber of Commerce. Entered Second Officers Training Camp in 1917. Commissioned first lieutenant Coast Artillery and sailed for France in December, 1917. As an officer with the One hundred and third Trench Mortar Battery, Twenty-eighth Division, he took part in the Meuse-Argonne and Ypres-Lys drives. Promoted to captain, Coast Artillery Corps, November 2, 1918. Returned to United States March, 1919. Discharged March 15, 1919. Commissioned captain, Coast Artillery Reserve, April 22, 1919. Promoted to major March 25, 1922, and to lieutenant colonel April, 1930. Has served as executive officer of the Nine hundred and fifty-fifth Coast Artillery (AA) Reserve Regiment since its organization, and has had active duty and training with his regiment in the summer camps of 1929, 1930, and 1932. Is now enrolled in the command and general staff extension courses. In 1932 passed the medical examination for training camp, indicating physical fitness in all ways to carry on active duty.

2. Knight, William, major, Engineer Reserve, manager and engineer, northwest district of the Allis-Chalmers Manufacturing Co. Major Knight is 52 years of age, and has many years of experience in his profession as an engineer both in the United States and in foreign countries. Commissioned from the State of Alabama as captain, corps of Engineers, August 31, 1917. Received training at Fort Leavenworth Engineer School. Assigned to and served with the Three hundred and tenth Engineers, Eighty-fifth Division, throughout the entire period of the World War. His service overseas was in France and with the North Russia expedition. He served 14 months with his outfit in the Archangel district. Commissioned major, Engineer Reserve, April 30, 1925, and has had frequent tours of active duty at Fort Logan, Colo., where the elevation is 9,000 feet. The elevation is mentioned only to point out

that if he can pass the required physical tests at that station it is presumed that he could pass the prescribed physical examination at any other post in the country.

3. Butler, Gordon H., major, Engineer Reserve, general manager Polaris Concrete Manufacturing Co., of Duluth, Minn.

Born Scipio, Ind., February 10, 1889. Graduated from Purdue University, civil engineering, in class of 1913. His experience as an engineer has been with the Engineer Corps, Pennsylvania Railroad, American Bridge Co., Interstate Commerce Commission. He has supervised construction work on various railroads, including timber, steel, and reinforced-concrete docks for handling iron ore, coal, and merchandise for Lake Superior boat traffic. For the past five years has been engaged in the manufacture of reinforced-concrete products. Membership: American Concrete Institute, American Society of Military Engineers, Duluth Engineer Club, Duluth Automobile Club, Ridgeview Golf Club, St. Paul Athletic Club, Duluth Chamber of Commerce, Reserve Officers Association, American Legion, and the Masonic order. Appointed as an officer in 1917, at the outbreak of the World War. Served with Eighty-eighth Division from time of organization until formation of Seventh Army Corps in France, to which transfer was made in November, 1918. Overseas service from July, 1918, to August, 1919. Served in France, Belgium, Germany, and England. Discharged August 15, 1919. Helped organize Duluth Chapter, Reserve Officers Association, and served as its president two years. Attended summer camps seven different years at Fort Snelling, Minn., Fort Des Moines, Iowa, and Fort Riley, Kans. At all camp periods the regular physical examinations were conducted, indicating physical fitness.

4. Mack, Stanley L., captain, Infantry Reserve, clerk of municipal court, Duluth, Minn.

Born New Auburn, Wis., December 9, 1889. Graduated from Eau Claire (Wis.) High School, 1907. News writer at various times on staffs of Eau Claire Leader, St. Paul Daily News, Superior Telegram, and Duluth Herald from 1908 to 1921. Enlisted as private, Machine Gun Company, Third Minnesota Infantry, July, 1917. Attended Third Officers' Training Camp and was commissioned second lieutenant, Infantry (M. G.), and served during remainder of the war with various machine-gun outfits. Overseas service with Twelfth Machine Gun Battalion, Fourth Division. After armistice selected by general headquarters as representative of Duluth Herald to make special tour over battlefields and areas occupied by American Expeditionary Force as one of 600 newspaper writers so honored. Returned to civil life July, 1919, rejoining staff of Duluth Herald. Appointed clerk of municipal court of the city of Duluth in April, 1921. Commissioned first lieutenant, Infantry Reserve, October 7, 1919. Promoted to captain, Infantry Reserve, November 16, 1922. Has attended several summer camps at Fort Snelling, Minn., and Bismarck, N. Dak., and for past four years has served as instructor at citizens' military training camps. Has had no difficulty in passing the required physical examination for active field duty.

5. Dresser, Elbert H., captain, Engineer Reserve, vice president and chief engineer Duluth, Missabe & Northern Railway Co., Duluth, Minn.

Captain Dresser is 54 years of age, a graduate of Rensselaer Polytechnic Institute, and a member of various civic and technical organizations. Entered service as captain of Engineers August, 1918.

6. F. S. Crawford, captain, Chemical Warfare Service Reserve. Born August 14, 1889, in Pittsburgh, Pa., now 43 years of age. Education: Graduate Carnegie Institute of Technology, 1913. Degree: Bachelor of science in mining engineering. Experience: Copper miner in Arizona 1913 to 1916; private, corporal, sergeant, National Guard of Pennsylvania; Mexican border service, 1916 to 1917; first lieutenant, captain, Seventy-ninth Division, Three hundred and fifteenth Infantry, 1917 to 1919; overseas July, 1918, to April, 1919; Meuse-Argonne offensive September-November, 1918; discharged June, 1919; reserve officer, August 1919-1924 and 1927-1933; engineer, United States Bureau of Mines, 1919-20, mining division; W. J. Rainey Coal Co., 1920-1923; Hudson Coal Co., 1923-1927; salesman, 1927-28; United States Bureau of Mines, 1928-1932, safety division; district engineer, United States Bureau of Mines, Duluth, Minn.; clubs and member Duluth Engineers Club, Duluth Automobile Club.

Associations: Masonic Fraternity, Reserve Officers' Association, American Legion, Delta Upsilon Fraternity (National Collegiate).

Physical condition: Excellent. Attended active duty 1931 and satisfactorily passed all physical requirements.

**(B) Officers without World War experience**

1. Nelson, Mansfield W., first lieutenant, Coast Artillery Reserve; salesman, Big Duluth Clothing Co., Duluth, Minn.

Born at Duluth, Minn., in 1903. Attended University of Minnesota and Georgetown University. Graduated from School of Foreign Service in Washington, D. C., in 1928. In 1926 he received commission as second lieutenant in the Infantry Reserve and in 1932 was transferred to the Coast Artillery Corps; he has served two active-duty tours and is a member of the board of officers to conduct practical examination for promotion to next higher grade. He is vice president of the Duluth Chapter, Reserve Officers' Association, and locally interested in Young Men's Christian Association activities; is a swimming instructor on the board of life-saving examiners.

2. White, Robert, first lieutenant, Coast Artillery Reserve; salesman for Sanitary Service Co., Duluth, Minn.

Lieutenant White received his commission in 1918 at Camp Hancock, Ga., serving as machine-gun instructor until 1919. He

is in possession of a certificate of capacity as captain. He is 35 years of age and active in local civic affairs.

3. Martini, Edwin A., second lieutenant, Infantry Reserve; attorney at law, Duluth, Minn.

Born at Duluth, Minn., August, 1904. Attended grade school and high school at Duluth, Minn.; received bachelor of arts degree at University of Minnesota in 1927 and bachelor of laws degree at University of Minnesota in 1930. While at university was cadet colonel. Received commission in reserve in 1930 and has attended three summer training camps attached to citizens' military training camps.

Lieutenant Martini is a member of the board of directors of the Young Men's Christian Association and Duluth Chapter, Reserve Officers' Association, member of St. Pauls Evangelical Church, member of Masonic orders, member of Riverside Golf Club, member of Minnesota Bar Association, and State secretary-treasurer of Reserve Officers' Association of United States.

4. Peyton, Hamilton Stewart, second lieutenant, Coast Artillery Reserve; assistant trust officer of Minnesota National Bank, Duluth, Minn.

Born December 15, 1903, at Duluth, Minn. Matriculated at Central High School in Duluth and Philip's Exeter Academy in New Hampshire, and graduated from Princeton University in 1926.

Lieutenant Peyton is a member of Duluth Chamber of Commerce, Kitchi Gammi Club, and Reserve Officers' Association.

5. Simon, John O., second lieutenant, Cavalry Reserve; superintendent of bureau of identification, Duluth police department, Duluth, Minn.

Born in 1894, served four years with Michigan State police, and for two years was superintendent of bureau of identification at Marquette Prison. Has been nine years engaged in his present position. At the present time is a director of the International Association for Identification, of which he is State vice president. He is a member of Masonic bodies, secretary of Duluth Chapter, Reserve Officers' Association, and a member of the Minnesota State Police Association.

6. Arneson, Patrick, second lieutenant, Coast Artillery Reserve. Born in 1907. Received commission at University of North Dakota, from which he graduated in 1930, and at present holds a certificate of capacity of first lieutenant. At the present time he is employed by Travelers Insurance Co.

#### INCREASED CHARGE ON PASSPORTS TO FRANCE

Mr. DAVIS presented a letter from the recording secretary of the Taxpayers' League of Meadville, Pa., inclosing resolutions adopted by the Crawford County Taxpayers' League, which, with the accompanying resolutions, was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

MEADVILLE, PA., January 8, 1933.

Senator JAMES J. DAVIS,

United States Senate, Washington, D. C.

SIR: The inclosed resolution was passed by the Crawford County Taxpayers' League and concurred in by the Meadville city league at their regular monthly meeting held Tuesday, January 3, 1933. I am forwarding a copy to you as directed.

Very truly yours,

W. M. LOWMAN, Recording Secretary.

Whereas over 30,000 citizens of the United States of America are residing in France, thus avoiding all indirect taxes paid by the American public, and whereas the Republic has been for several years discriminating unjustly against products of this country, and on December 15, 1932, while having the second largest supply of gold in the world, failed to make payment of approximately \$20,000,000 due the United States; and

Whereas this default means an additional tax of \$1 to every family in this country: Therefore be it

Resolved, That the Crawford County Taxpayers' League request our Representatives in Congress to favor legislation required to place a charge by the United States of America of \$100 for the issuance or renewal of a passport to France, plus an additional charge of \$5 per day for each day a citizen of this country holding such passport shall remain in France; be it further

Resolved, That this resolution be read in all local taxpayers' leagues in this county and that copies be sent to Senators DAVID REED and JAMES J. DAVIS, to Representative MILTON W. SHREEVE, to Representative-elect Charles N. Crosby, and also to the American Taxpayers' League (Inc.), of Washington, D. C., with a request that it keep this league advised regarding all official acts of the two Pennsylvania Senators and the Representative from this district on questions pertaining to debts of other nations due to the United States of America.

#### REPEAL OF EIGHTEENTH AMENDMENT

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have inserted in the RECORD the following documents:

The report submitted to the Senate by the Committee on the Judiciary on January 6 on the joint resolution (S. J. Res. 211) proposing repeal of the eighteenth amendment to the Constitution.

In connection with that report, I ask to have printed in the RECORD statements of objections to the text of the reso-

lution proposing the repeal of the eighteenth amendment from two of the leading and most active organizations in the country who have long been advocating the repeal of the eighteenth amendment. These organizations are the Constitutional Liberty League, with headquarters in Boston, and the Association Against the Prohibition Amendment.

I ask that these three documents be printed in the RECORD, one following the other, for the edification of the Senate.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Without objection, that will be done.

The matter referred to is as follows:

Mr. BLAINE, from the Committee on the Judiciary, submitted the following report to accompany Senate Joint Resolution 211:

The Committee on the Judiciary, having had under consideration the joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States relative to the eighteenth amendment, reports the same favorably to the Senate and recommends that the resolution do pass, with the following amendment:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

#### "ARTICLE —

"SECTION 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

"SEC. 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

"SEC. 3. Congress shall have concurrent power to regulate or prohibit the sale of intoxicating liquors to be drunk on the premises where sold.

"SEC. 4. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress."

CONSTITUTIONAL LIBERTY LEAGUE,

Boston, Mass., January 9, 1933.

HON. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: The text of the resolution proposing an amendment to the eighteenth amendment as reported by the Senate Judiciary Subcommittee has recently been published, with the statement that this resolution will be speedily considered by the full committee and that the proposal will then be given the right of way in the Senate. Section 3 of the proposed amendment provides that "Congress shall have concurrent power to regulate or prohibit the sale of intoxicating liquors to be drunk on the premises where sold," and the resolution also proposes that the amendment shall be referred to State legislatures instead of to State conventions for ratification. To these two provisions we are unalterably opposed.

We think also that section 2, prohibiting the importation of liquor into States for use therein contrary to their laws, is objectionable in form. We should have no serious quarrel with a provision expressly conferring on Congress the power to deal with that subject, which the court has held they now have under the commerce clause, but prohibitions, in our opinion, do not belong in the Constitution, and this continuation of the language of the eighteenth amendment is peculiarly offensive.

Massachusetts has placed itself squarely on record by the decisive referendum vote in 1928 for repeal of the eighteenth amendment. The Democratic platform adopted last summer declared for outright repeal, and the Democratic national ticket carried Massachusetts in November by a substantial majority. A resolution calling for straight repeal recently failed by only 6 votes of passing the National House of Representatives by a two-thirds majority.

The proposal that Congress should be given the power to supervise the sale of liquor was put into the Republican platform after a prolonged controversy and against the views of many of the delegates. It was not approved by Republicans in Massachusetts. This is substantially the plan now proposed for the solution of the national prohibition problem.

This plan is vicious in principle in that it continues Federal domination over a matter of domestic concern, takes from the States rights and responsibilities which properly belong to them, and deprives the people of their right of local self-government, once described by the late President Coolidge as "one of our most precious possessions." It is more vicious even than the eighteenth amendment itself in that respect, for under that amendment the power of the Federal Government was to be exercised to suppress an outlawed traffic, while under the new scheme liquor is to be restored as a lawful commodity, but the right of the people of one section of the country to control the use of that commodity in such manner as they deem proper and most effective is to be subjected to regulations and prohibitions imposed by the people of other sections to force conformance with their ideas of moral, social, and economic welfare.



It has commonly been said that the eighteenth amendment was adopted too hastily and with too little forethought as to its practical results. Little prescience now is required to see that this amendment, if ratified, would bear similar evils in its train. Prohibition of the sale of liquor to be drunk on the premises practically would confine its consumption to the home. The speakeasy would continue to flourish, the illegal traffic in liquor would still be large and lucrative, and the criminal class supported by it would not cease to menace the foundations of our Government. The possibilities of conflict and confusion in attempts by State and national authority, in the exercise of their concurrent power, to regulate the distribution and sale of liquor would be greater than at present. The issue would continue to harass Congress and the problem would remain unsolved.

It is of the greatest importance that the States should have returned to them the exclusive power to deal with this problem in accordance with local needs, and in such a way as to receive the support of local public opinion. Our dual form of government, "an indestructible Union composed of indestructible States," has provided us with 48 laboratories, from which, through the process of experimentation and improvement, the best system for each community may finally be devised. We may be certain that one uniform system will not suit the varying conditions in our diversified country.

The proposal that the amendment should be referred to State legislatures comes as a complete surprise. We had supposed that the plan of referring this question, so important in its relation to the fundamental principles of the Constitution, to conventions of the people meeting in the several States had received practically unanimous support.

The people of Massachusetts have shown clearly that they favor repeal and not modification of the eighteenth amendment; that they regard the handling of the liquor problem as an internal affair of the State; and that they resent Federal interference in the matter. We trust that the Senators from Massachusetts will approve and accept these views, and that they will vote against the resolution now proposed, or any other containing similar provisions. We intend to do everything in our power to oppose any such amendment before Congress and to prevent its ratification if it should ever be submitted to this State for approval.

Respectfully yours,

CHARLES S. RACKEMANN, *President.*

ASSOCIATION AGAINST THE PROHIBITION AMENDMENT,  
Washington, D. C., January 7, 1933.

DEAR SENATOR WALSH: I am taking the liberty of sending you herewith an analysis by Jouett Shouse of the resolution for modification of the eighteenth amendment, now pending before the Judiciary Committee of the Senate.

Personal regards and best wishes.

Yours for the great uplift,

BOB BARRY, *Vice President.*

THE HON. DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

ASSOCIATION AGAINST THE PROHIBITION AMENDMENT,  
Washington, D. C.

Jouett Shouse, president of the Association Against the Prohibition Amendment, in commenting upon the provisions of the resolution to amend the eighteenth amendment which the subcommittee of the Senate Judiciary Committee agreed upon January 5, made the following statement:

"The form of resolution reported out by the subcommittee of the Judiciary Committee of the Senate represents proposed amendment of the eighteenth amendment rather than repeal of the eighteenth amendment. It embodies a provision for protection of so-called dry territory, it gives Congress concurrent power to prevent the saloon, and it proposes that action toward ratification shall be taken by legislatures.

"Those who believe in an orderly process of prohibition reform have no objection, in so far as I know, to affording every proper measure of security to States which do not want liquor sold within their borders. If to accomplish this purpose it were necessary that further constitutional power be given, there would be every justification for this portion of the resolution. As a matter of fact, however, the Supreme Court has upheld the right of Congress, as exemplified by the Webb-Kenyon law, to prevent the importation of liquor into any State where the State laws of such State prohibit such importation. As recently as last May in a unanimous opinion the Supreme Court declared that the Webb-Kenyon law has not been affected in even the most remote way by the adoption of the eighteenth amendment or the enactment of legislation interpretative thereof, and that if the eighteenth amendment should be repealed, the Webb-Kenyon law would still stand in full force and effect.

"Even so authoritative an advocate of prohibition as Senator BORAH, of Idaho, in the course of debate in the Senate on July 18 last, gave utterance to the following significant statement:

"Congress has that power [to prevent shipment of alcoholic beverages into so-called dry States], or will have it just as soon as the eighteenth amendment shall be repealed. The provision adds nothing whatever to it. \* \* \* Nothing in the decision relative to the Webb-Kenyon Act would in any way detract from that power as expressed in the interstate commerce clause."

"It would thus appear that any further steps looking to the protection of dry States are wholly unnecessary and represent

merely a repetition of what is already embodied in the organic law of the land. But if such dry States will have a greater sense of security by a repetition of provisions such as that under discussion, certainly there is no particular objection thereto.

"The attempt to give Congress concurrent power to prevent the saloon is, however, a very different proposal. There are a large number of thoughtful people in this country who care nothing about liquor as such but who are intensely opposed to the eighteenth amendment because of the police power embodied in it and because of the invasion of State rights represented by it. True, if concurrent power to prohibit the saloon were given Congress such power might not be exercised by Congress. If it were not, however, would we not be faced with continual political agitation in the attempt to induce Congress to exercise that power? If, on the other hand, under the constitutional provision, Congress should pass legislation attempting to prohibit the saloon, would we not be bedeviled continuously by the same unfortunate situation which has prevailed since the ratification of the eighteenth amendment and the enactment of the Volstead Act?

"The liquor problem has got to be handled either by the Federal Government or by the different States. If the Federal Government is to handle it two courses are open: (1) To let the eighteenth amendment stand with its attempt at nation-wide prohibition, or, (2) to pass legislation providing a form of Federal liquor control, thus depriving the States of any voice in the matter. If the problem is to be turned back to the States, then there must not be the attempt at the exercise of Federal jurisdiction over any part of it except in the proper matter of excise taxes. There must be definite, clear-cut action one way or the other if utter confusion is to be avoided.

"The conventions of the two major political parties last June in their platform planks dealing with prohibition both prescribed that the question of repeal or modification in whatever form it might take should be referred for ratification, not to the legislatures of the various States but to conventions in the various States. The declaration on this point was clear and unequivocal alike in both platforms. It would seem, therefore, wholly improbable that the Congress in submitting the resolution would flaunt these specific platform promises and would refer it for action to legislatures instead of to conventions.

"The reasons for seeking disposition by conventions in the States are manifold. Numerous factors enter into the choice of members of the legislatures. They have multiplied duties to perform connected altogether with State affairs. In the personnel of legislatures elected last November it is questionable whether in a single instance the views of respective candidates in the matter of repeal of the eighteenth amendment were considered. There was no thought that the legislatures then created would be called upon to pass upon this purely Federal question. To the contrary, it was well understood that any proposal relating to the eighteenth amendment would be referred to conventions in the States. Moreover, it is obvious that the only method whereby popular expression on this proposition, which deals so intimately with the life and habits of the people, could be had is through the convention method of ratification. To deny opportunity for such popular expression, particularly in view of the platform pledges of both parties, could be justified only on the assumption that a platform pledge is a scrap of paper and that Members of the National Congress are neither influenced by nor accountable to the electorate for whose benefit party platforms are written.

"If, as is believed, the result of the last election gave evidence of the attitude of the voters on the question of prohibition, then the preponderant sentiment of the people of the United States favors outright and unqualified repeal, the resolution providing therefor to be submitted to conventions in the several States. This was the language of the Democratic platform adopted by an overwhelming majority in the Democratic convention and indorsed alike by the largest popular vote and by the largest electoral vote in the history of our country.

"The resolution offered in the House on the opening day of the present session, which failed by only 6 votes to secure the two-thirds majority necessary, embodied honestly and frankly the repeal position of the Democratic platform. It is to be hoped that Congress may recognize the direct mandate from the people to submit the resolution in that form for action by conventions in the several States."

#### REPORTS OF COMMITTEES

Mr. DALE, from the Committee on Civil Service, to which was referred the bill (S. 5294) to amend the act of May 29, 1930, for the retirement of employees in the classified civil service, reported it with an amendment and submitted a report (No. 1047) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 2065) for the relief of the Great Western Coal Mines Co., reported it without amendment and submitted a report (No. 1048) thereon.

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 967) for the relief of the American Bonding Co., of Baltimore, reported it with an amendment and submitted a report (No. 1049) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

- S. 610. An act for the relief of the Anderson-Tully Co. (Rept. No. 1050);  
 S. 2680. An act for the relief of Harry E. Blomgren (Rept. No. 1051);  
 S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis (Rept. No. 1052);  
 S. 4287. An act for the relief of Harold W. Merrin (Rept. No. 1053);  
 S. 5203. An act for the relief of the Harvey Canal Ship Yard & Machine Shop (Rept. No. 1054);  
 S. 5204. An act for the relief of the Texas Power & Light Co. (Rept. No. 1055);  
 S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont. (Rept. No. 1056);  
 S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased (Rept. No. 1057); and  
 S. 5208. An act for the relief of Mary Byrketts Sinks (Rept. No. 1058).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DAVIS:

A bill (S. 5392) to authorize the Reconstruction Finance Corporation to make loans to aid in financing projects for the construction of sewerage systems or sewage-disposal works; to the Committee on Banking and Currency.

By Mr. THOMAS of Oklahoma:

A bill (S. 5393) for the relief of Grady D. Coleman (with accompanying papers); to the Committee on Military Affairs.

By Mr. METCALF:

A bill (S. 5394) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders; to the Committee on the Judiciary.

By Mr. WHEELER:

A bill (S. 5395) to amend the civil service retirement act of May 29, 1930, and for other purposes; to the Committee on Civil Service.

By Mr. SCHALL:

A bill (S. 5396) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 5397) to confer the degree of bachelor of science upon graduates of the Naval Academy; to the Committee on Naval Affairs.

By Mr. ROBINSON of Arkansas:

A bill (S. 5398) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes (with an accompanying paper); to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 5399) granting an increase of pension to Neta Lyle (with accompanying papers); and

A bill (S. 5400) granting an increase of pension to Georgeanna Phillinger (with accompanying papers); to the Committee on Pensions.

By Mr. BINGHAM:

A bill (S. 5401) to establish a commercial airport for the District of Columbia; to the Committee on the District of Columbia.

#### AMENDMENTS TO APPROPRIATION BILLS

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 13872, the Agricultural Department appropriation bill, in the item for naval stores investigations, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 53, line 19, strike out the following: "Provided, That no part of this appropriation shall be expended for the erection of buildings" and insert in lieu thereof "Provided, That not more than \$10,000 of this appropriation shall be expended for the erection of buildings."

Mr. DALE submitted an amendment intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 75, line 13, to insert immediately before the period a comma and the following: "but shall not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees."

#### REPEAL OF THE EIGHTEENTH AMENDMENT—PROHIBITION

Mr. BRATTON submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States, which was ordered to lie on the table and to be printed, as follows:

On page 3, line 2 (in the committee amendment), to strike out the words "the legislatures of" and insert in lieu thereof the words "conventions in."

#### FEDERAL AID TO STATES IN MATTER OF INDIAN LANDS NOT SUBJECT TO STATE TAXATION

Mr. FRAZIER submitted the following resolution (S. Res. 322), which was referred to the Committee on Indian Affairs:

*Resolved*, That the Committee on Indian Affairs, or any subcommittee thereof, authorized by Senate Resolution No. 282, agreed to June 25, 1930, to investigate the relationship between the Federal Government and those of the several States wherein are located Indian reservations or unallotted tribal lands, or any other Indian lands not subject to taxation by such States or political subdivisions thereof, with a view of developing a plan by which the Federal Government may contribute fairly and equitably toward the expenses of governmental activities in said States, hereby is authorized to expend from the contingent fund of the Senate \$500 in addition to the amounts heretofore authorized for such purposes.

#### SURVEY OF INDIAN CONDITIONS

Mr. FRAZIER submitted the following resolution (S. Res. 323), which was referred to the Committee on Indian Affairs:

*Resolved*, That Senate Resolution No. 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, hereby is continued in full force and effect throughout the duration of the Seventy-third Congress, and hereby is authorized to expend in furtherance of above-mentioned purposes \$15,000 in addition to the amounts heretofore authorized for such purposes, to be paid out of the contingent fund of the Senate.

#### NOTICE OF MOTION TO SUSPEND THE RULES—GOVERNMENT PURCHASE OF AMERICAN GOODS

Mr. JOHNSON. I file a motion in respect to the pending deficiency bill and ask unanimous consent that it be not read but that it be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The motion is as follows:

Pursuant to the provisions of Rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of Rule XVI for the purpose of proposing to the bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes, the following amendment, viz, on page 33, after line 3, insert the following:

#### "TITLE III. GOVERNMENT PURCHASE OF AMERICAN GOODS

"SECTION 1. Unless inconsistent with the public interest, or unless the cost is unreasonable, and notwithstanding any other provision of law, only such unmanufactured articles, materials, and supplies as have been mined or produced within the limits of the United States, and only such manufactured articles, materials, and supplies as have been manufactured within the limits of the United States wholly of articles, materials, or supplies mined, produced, or manufactured, as the case may be, within the limits of the United States, shall be acquired for public use, and no appropriation heretofore or hereafter made shall be available for such acquisition or for payment to any contractor or subcontractor for such acquisition. This section shall not apply with respect to articles, materials, or supplies for use outside the limits of the United States, or to be used for experimental or scientific purposes, or if articles, materials, or supplies of the class or kind to be used are not mined, produced, or manufactured, as the case may be, within the limits of the United States.

"SEC. 2. This title shall take effect immediately upon its enactment but shall not apply to any contract entered into prior to such effective date."

#### BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets



of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. LONG. Mr. President—

Mr. BINGHAM. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield.

Mr. BINGHAM. May I make a brief appeal to the Senate in behalf of the poor people of the District of Columbia?

Mr. LONG. Mr. President, I decline to yield to any Senator who has not a good record in behalf of the poor people or the kind of a poor people's record that I have. Whenever I am forced to get any advice about taking care of poor people, I want it to come from somebody who is in actual touch with the condition of the poor people.

The VICE PRESIDENT. The Senator from Louisiana declines to yield.

Mr. LONG. Mr. President, I understand we here in opposition to this bill are now identified as liberals. That is what we are now called in the press. It is now a fight between the liberals and the conservatives. I am glad to know that is well understood. It is a fight between the liberals and the conservatives; that is, between the liberals and those who call themselves conservatives and others who work with them.

But, Mr. President, there is something in this bill that was never brought to the attention of the Senate. It divorces the Federal reserve bank from any control practically of the United States Government. I am now ready to say that there is not a Senator in this Chamber who knows anything at all about what is in the bill. I do not make any exception. I say that in order to be charitable to the authors of the bill. It purports to legalize more than \$15,000,000,000 of Federal reserve currency credits that have been given on foreign bills of exchange in the United States. Not daring to issue the currency outright, the Federal Reserve Board has adopted the expedient and the practice of crediting them as currency credits on the books of the Federal Reserve Board of the United States Government in the teeth of the law and in violation of the law. This bill is so worded that those foreign credits will be legalized and can not then be subject to any further prosecution or disapproval by law.

That is not half of it. The bill proposes to take the Secretary of the Treasury of the United States off the Federal Reserve Board. The bill would take the excise tax upon the surplus earnings that have been going to the United States Treasury away from the Treasury of the United States and give it to the banking combine in order that they could protect the chain banks. It would enable them to take the private interests and put them absolutely in control of the Federal reserve system to legalize the currency credits of more than \$15,000,000,000 that are to-day on the books of the Federal reserve banks of the United States, put there by credits collected through the banks from Japan and from Germany, from England, and from China.

Instead of issuing currency which would have had to have been reported to the Congress, in order that the fact might be concealed and disguised they have simply given them a supposed-to-be book credit for currency in the Federal reserve banks of the United States, and they are now undertaking to legalize that fraud in this bill which they have tried to slip through the Congress by introducing it one day and bringing it back the same day and demanding hurry, hurry, hurry. You can not hurry enough to pass this piece of legislation through the Congress. You can not put this thing through to save your lives.

We fought here for years and years that the United States Government might have some control over the banks handling the people's money, and we managed to write into the law that the Federal reserve banking system would become responsible to the people of the United States. We made the Secretary of the Treasury of the United States the dominating member of the Federal Reserve Board. They have

been trying, Mr. President, to remove from that board the representative of the people ever since this act was enacted into law. They have tried to have control of the currency more or less removed from the people.

Heretofore they have not been able to do that; but, with a Federal reserve act supposed to have been created so as to permit the Secretary of the Treasury of the United States to participate in the administration of these funds, the circulating currency for which the Government is responsible, they have come back here this time with a proposal to take the Treasury of the United States off the board and to put it, boots, saddle, and breeches, into the hands of the machinating financiers who are to be assisted to establish a chain banking system and to impose a control over the banks of America. It is proposed to relieve them from payment of the excise tax which they are now paying into the United States Treasury, and to give them \$125,000,000 of the money of the people of the United States in order to set up a liquidating corporation. Then we talk about relief legislation!

The Federal reserve act contains some good provisions, but under the terms of the act two institutions that were un-American were set up. The first of these was what is known as the Federal reserve system of 12 regional banks. The second was a privately controlled discount market for the purchase and sale of the circulating evidences of debt created and authorized by the Federal reserve act. We only adopted these things that were contrary to our ordinary American ideas in order to work out a compromise and to get along with the banking interests.

The discount market is centered in New York City. A condition precedent to the establishment of a discount market is a central reservoir of money and credit. Without a central reservoir of money and credit, a discount market can not be operated with entire safety to those who are engaged in it. It controls the reservoir, but, in turn, the reservoir is indispensable to it. Consequently, a nation in which a discount market is about to be established must give up its gold to those who are to be the masters of its money and credit. Its people must give up their cash. They must learn to do without actual money and to use only those fluctuating promises which take the place of money, our circulating currency for example.

As one of the witch doctors said, "The people must be taught the unattractiveness of cash." In other words, in order to get the people to spend, not the money itself, the gold or silver—remonetized silver—they are taught the unattractiveness of cash and to use paper money, and that is what we all use to-day—paper money.

In 1913, while the Federal reserve bill was under discussion, certain bankers and others saw the impropriety of changing our laws in such a way as to make documentary evidences of debt legal for use as circulating credits. They considered it wrong to base currency on those circulating evidences of debt. They thought it unfair to permit the proposed Federal reserve banks to use money belonging to bank depositors for the purpose of trafficking in those same evidences of debt. The objections raised by those conservative thinkers were greeted for the most part with derision. The public was given to understand that the provisions of the Federal reserve act authorizing the proposed Federal reserve banks to do business in the discount market were for emergency use only and that the Federal reserve banks would never compete with the established banks of the country and that they would never use their marketeering powers to control the money market or the prices of commodities.

In order to prove that the public were given to understand that the Federal reserve act and the Federal reserve banks would never use their resources and their power to control or to establish market values, I want to say that the Owen bill, which was finally passed and under which we are to-day living as it was finally passed in the Senate, contained a provision that the Federal Reserve Board or its banks should so manipulate the currency and the control of the banks as to establish certain commodity prices; but

when that bill went to conference the distinguished Member of the Senate who has introduced the bill we are now discussing was the one man, so I am told, who insisted upon taking out of the bill that provision, so that they would not use the Federal reserve funds to try to establish commodity values.

But the ink as I have said was hardly dry on the charters of those institutions before the Federal Reserve Board authorized the Federal reserve banks to go into the market and to make purchases. I repeat that the ink had hardly dried before the Federal Reserve Board began to authorize these banks to go out in the open market and make purchases. The Federal Reserve Board had been relied upon to take the initiative. It took the initiative; and, from that day to this, the board has controlled the discount market, the prices of all our goods and commodities, the wages of our people, the prices of stocks and bonds on the stock exchanges, and money rates, including the call-loan rate. Under its supervision the American people have been transferred from one side of the ledger to the other. The next step is downward. Now they go out and take domestic paper, as we all expected. About three or four years ago someone came up here and said, "Why is it that you are buying this foreign paper?" They said, "Because we can not get enough paper to do business on in America; we have had to deal with the branch banks of foreign countries that have been located in America in order to get business enough to carry on this enterprise."

In 1913 the American people were taught to believe that panics on the New York Stock Exchange were the result of unscientific banking methods and that a central reservoir of money and credit would enable the country more easily to stand the strain of stock-market disturbances. In one way and another the propagandists impressed this belief upon them. When the people finally consented to have the rich treasure of their national banking reserves impounded in a central reservoir, they did not see that the result would be the loss of their financial freedom. They did not know that it would lead them into their present condition of starvation, unemployment, and general misery. Because a discount market requires the greatest possible concentration of gold and a centralization of all the money and credit resources of the Nation, they were artfully led by propagandists to believe that the country needed an entirely different kind of banking system. The literature of deception holds no parallel to what was issued to carry out that propaganda.

The propaganda which led to the creation of the Federal Reserve system had a privately controlled discount market for its principal object; but since the changes in our laws which were necessary for the establishment of a discount market had to be brought about by the passage of a bill for a central bank or something resembling a central bank, which would provide the central reservoir of money and credit without which a discount market can not thrive—a bill which would create circulating credits and legitimize the business of dealing in them, a bill which would establish a system of collecting drafts, notes, coupons, and acceptances free of charge—the propagandists did not emphasize their desire to establish such a market. They knew that a discount market would be established in the natural order of things under any bill which would embody those features. Consequently, they bent their efforts towards securing the passage of the Federal Reserve act and the establishment of the central reservoir, a central reservoir, as already stated, being the indispensable adjunct of a discount market.

The liberality of the terms of the Federal Reserve bill, the unconscious willingness on the part of the Wilson administration to let acceptance gambling and stock-exchange speculation come into their own, surpassed the expectations of the propagandists. Finding the Democrats in a give-away mood, these gentry pursued their advantage until they obtained a greater extension of power under these auspices than would have been allowed under the Aldrich bill.

In his last years, while Senator Aldrich was in a declining condition of health, they had obtained various concessions from him, but he did not give them such a priceless opportunity as that which was afforded to them by the reserve act over which the Federal reserve system exercises control as complete as that which it exercises over gold. This medium is a substitute for gold in international dealings. It consists of documentary evidences of debt created in all parts of the world and passing current among bankers as a means of exchange.

When the question of creating circulating credits by means of the Federal reserve act was under discussion in 1913, an international banker said that if this paper were created it would provide a new and most powerful medium of international exchange and a new defense against gold shipments. We were a debtor nation then, and the argument may have appeared to have been in our favor.

The talk about the United States being on the gold standard is one of the most fallacious things that have ever been heard of. The only reason they say we are on the gold standard is that they have got the gold base so manipulated that they are in control of the currency of the United States. That is the only apology that can be made or defense or excuse that can be brought for the contention that we are on the gold standard to-day. We are not on the gold standard, any such thing. We have not as sound a standard to-day as they have in England.

Now the conditions are reversed, and the defense against gold shipments is not ours but that of those who seek to keep gold from reaching us and thus avoid paying their debts or even paying us the true amount due us on our international balances of trade. We do not even know what our true balances of international trade are.

Without the Federal reserve act, which created the central reservoir of money and credit; without the Federal reserve act, which set up the system of collecting drafts, notes, coupons, and acceptances free of charge; without the amendments to the Federal reserve act, which enabled the Federal reserve banks to obtain complete control of all our gold; without the Federal reserve act, which conferred lawmaking powers on the Federal Reserve Board, which powers have enabled that board to make lax and inequitable rulings, there would be no privately controlled discount market in the United States to-day.

With all the good provisions of the Federal reserve act, in order to get those good provisions we had to yield to the power of finance at that time and allow that board to have such power that they could have so made law and interpreted law and rules and orders that they had set up the only privately controlled discount market in the United States and used the Government's power in order to maintain and control the only private discount market that we have ever had.

There was no discount market here prior to the passage of the Federal reserve act. Before the Federal reserve act became law, our banking business rested on an extremely conservative basis. Bankers did not care to hawk their bills receivable about the market place. They did not sell their customers' notes. They kept a portion of their reserves intact in their own vaults.

If there could have been a decent, regulated limit to hawking notes from bank to bank, it would have been a good thing to have credit made easier; but they did not stop there. They did not encourage their customers to hang millstones of debt around their necks so that a group of men operating a discount market in New York might control all the money of the United States and the prices of all our goods and commodities.

In 1913, when the Federal reserve act was under consideration by the Senate Committee on Banking and Currency, the following occurred in that committee:

Senator Hitchcock said:

Is it a fact that there are no banking interests in New York now that give acceptances or sell acceptances?



And Mr. Kent replied:

I do not know of any.

Senator Hitchcock said:

Well, there are very large banking houses there that have a world-wide reputation.

Mr. Kent said:

It is rather against the policy of American banks to accept, even when they seem to have the authority, because—

Senator O'Gorman interrupted and said:

How about the large private bankers that we have in New York and throughout the country? Do not they do it?

Mr. Kent replied:

They have never been able to work up American exchange to a point where they could do it to any great extent. They would need the cooperation of all the banking interests in this country in order to do it.

So we went ahead and created the Federal reserve system in order to make credit a little bit easier and to prevent panics; but they set up a private discount market and established such a monopoly over discounts and such a system of machinated and pyramided credits and currency issues and note-currency credits on the backs of the Federal Reserve Board as had never been heard of and had never been thought of until they created the Federal reserve system and yielded and put these provisions in the law.

What was the result? They have gone beyond what the law allowed. They began to take these trade acceptances. At one time in a year here we were told that they had issued \$60,000,000,000 of currency, not straight out but to keep it from appearing to the Congress and to the people of the United States that they had issued \$60,000,000,000 of currency. As a matter of fact, they had issued, I am told, nearly a hundred billion dollars of United States currency. Instead of issuing the currency in this pyramided credit proposition, they did what the law did not allow them to do, and in defiance and in the teeth of the law, and entered a credit upon the banking books of the Federal reserve system for currency to be issued for these trade acceptances and bills of exchange; and when they made their report to Congress, they did not include any such credit currencies as were represented on their books in the list of what they had issued as currency for that period of time.

They did that in the teeth of the law; and now they have a bear by the tail. They can not take care of them now. The transaction can not be hidden any longer; and they have so amended this bill that nobody in the Senate knows anything about it in order to legalize that situation, and give them the right to make this thing even more elastic with that note credit currency that they have issued on the books of the Federal reserve banks of this country.

That is what brought the collapse to this country sooner than it would have happened otherwise. They like to have the Democratic Party and the Republican Party debate about tariff and tariff and tariff and tariff. They like to have us debate on wet and dry, or any other living thing on earth; but they have come here with legislation trying to slip through a proposition that has done more harm to the people of the United States than every other calamity that has happened in the meantime. They do not want to take any chance. Oh, no! They must not take any chance now. It is a serious situation until they have put the fire out; and so they are removing the Secretary of the Treasury from the Federal Reserve Board in the Glass bill.

Why? Why, there is a danger that the people of the United States this time might accidentally, by some hook or crook, get a Secretary of the Treasury appointed who is not dominated and controlled by that gang. Therefore, they are taking time by the forelock for fear that somebody may be appointed Secretary of the Treasury who will try to protect the people. Of course, ordinarily speaking, there is not much chance of anybody's being appointed Secretary of the Treasury who will ever try to protect the people. That is one safety they have usually had, ordinarily speaking. Fire insurance is not any protection at all

like the protection that that set has usually had to keep anybody from being appointed Secretary of the Treasury who was going to undertake to manipulate the Treasury in defense of the people of the country; but, to take no chance about it, that is the one job they fight over.

I have been in the national conventions, and I want to tell you that around in the rooms the one thing they want to be assured of is, "Who is going to be Secretary of the Treasury?" That is the fighting point. I know. I have been there. That is the fighting point. "Who is going to be Secretary of the Treasury?" That is the fighting point of that gang, because it is the Secretary of the Treasury who has the power to stop this machinated manipulation of pyramided credits that have been hawked about by that gang up here in the name and form of the United States until they have brought calamity to this country; and now, for fear that there might be something done, they are trying to cure the whole thing by law. "Hurry, hurry, hurry, and get the Glass bill through!"

Well, you hurry yourself! We will take our time about this thing. [Laughter in the galleries.]

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. LONG. Yes, sir; I yield.

Mr. FRAZIER. As I understand the Glass bill, it gives the Federal Reserve Board more power than they have under the present law.

Mr. LONG. Yes, sir; and it takes them further away from the Government. It puts them in the hands of the big banks, the international cliques, takes them out of the hands of the Government, gives them the money the Government has been getting from them, gives them money out of the Government Treasury that we have there now, and extends their powers to cover up all they have done in the past.

Mr. FRAZIER. I agree with the Senator from Louisiana that they have too much power now.

Mr. LONG. Oh, there is no question about that; but they take power. They put the right kind of power there. They take power they have not.

I have begun to analyze this bill. I am now having the Federal reserve act copied with italics to show the changes that are being made by the Glass bill, to show at a glance the deletions and the insertions; and you are going to be astonished, gentlemen of the Senate, when I get this thing done on this bill that was put in here one day and reported out the same day and put on the calendar the same day—you are going to be astonished when you see that where the bill says "Amend section 29 to read so and so," the subject matter is not even relevant, top side nor bottom; and that is what they resort to in order to put things of this kind through the Senate!

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. Yes, sir; I yield.

Mr. COPELAND. I assume that the Senator's attitude is one of intense opposition to branch banking.

Mr. LONG. Terrible.

Mr. COPELAND. I have had very serious misgivings on that subject myself. Is that the one thing in the bill to which the Senator objects?

Mr. LONG. That is one of the things.

Mr. COPELAND. May I ask what are the other specific things?

Mr. LONG. I have just begun to discover the others.

Taking the Secretary of the Treasury off the Federal Reserve Board is one.

Giving them \$125,000,000 of Government money is two.

Repealing the excise tax that is now being paid into the United States Treasury is three.

Covering up this commercial-paper transaction that has been going on is four. In other words, I was going to go a little further and illustrate that, which I do.

The fifth is, after having given them control, removing from the people and the States and the Government the right to market the bonds of the Government and of the States and of the municipalities through banks owned by the people.

Mr. COPELAND. Then I take it that if these particular things could be adjusted, the Senator's opposition to the bill would disappear?

Mr. LONG. If that were all; yes.

Mr. COPELAND. But are there others?

Mr. LONG. The trouble is, Mr. President, that I have found an amazing ignorance among our own selves, including me, over what the bill does; and I am now for the first time, for the Senate's benefit, having the bill fixed up so that we can tell what deletions and insertions have been made in the old law, so as to see just what the bill is.

Mr. COPELAND. If the Senator will bear with me a moment, I was anxious to find out whether or not he is opposed to the bill in its entirety.

Mr. LONG. No; I see some provisions in it that probably will be all right.

Mr. COPELAND. There are some virtues in the bill?

Mr. LONG. I think so. It is very hard to find any bill without some virtues.

Mr. COPELAND. But if the specific things to which the Senator has referred could be arranged, then the Senator's objection would disappear?

Mr. LONG. I think so.

Mr. COPELAND. I thank the Senator.

Mr. LONG. The bill ought to be recommitted. Certainly the bill ought to be recommitted. Recommit this bill, and let us go over this thing. Why, I know that there are things here that the Senator from Virginia could not possibly have known were here. No man, unless he was watching these things as closely as possible, could possibly have had these things in this bill.

We have all had to get our advice from some of these Federal Reserve Board members. Naturally, we would go for some of our advice to Mr. Eugene Meyer. Why should we not do so? He has been head of the Federal reserve banking system for years, and we naturally would go to him; but when you go to Mr. Eugene Meyer for advice, you have driven your ducks to a bad pond of water. When you have to go to that kind of an official for advice—and that is where you have to go, because he is the head of it—you have not helped yourselves very much.

Why, when Mr. Meyer was on the War Finance Corporation here, the law provided that no man could manipulate the bonds and stocks that the War Finance Corporation might own or hold or control that they would get from the Government—that no member of the board could be engaged pecuniarily in that matter.

Mr. Meyer had the Eugene Meyer, jr., investment-bond house business up in New York City, which was in process of liquidation; but when he was appointed on the War Finance Corporation, he reopened that bond house. He was liquidating the Eugene Meyer bond business when he was appointed a member of the War Finance Corporation, and he restarted this bond house about the time he was appointed on the War Finance Corporation. He confessed under oath, this man Eugene Meyer, the head of the Federal Reserve Board, to whom we are about to turn the country over, lock, stock, and barrel, that he had sold through the Eugene Meyer bond house \$90,000,000 worth of bonds of the United States Government owned by the War Finance Corporation. Yet the Government has been out hunting boys with a pint of whisky on their hips, employing detectives. It reminds me of the advertisement I saw once in the paper:

The First National Bank has been robbed, this time by outside parties.

[Laughter.]

I am not just speaking at random here, Mr. President. I happen to have the proof on these gentlemen in the form of a report which has been supplied to me from the chairman of one of the big committees over in the House of Representatives who is supposed to have been in favor of

this legislation, but who is not. I have that report here. I would like to send the report to the desk and have it read, but if the Senator from Virginia objects, I will read it myself.

Mr. GLASS (from his seat). I suggest the Senator read it. The PRESIDING OFFICER. Is there objection?

Mr. LONG. The Senator from Virginia says he objects, so I will read it myself.

I will give in advance a little of the speech of Representative STEAGALL reciting these facts over in the House of Representatives in 1925. This man Meyer to-day would just about be given his release if he were being liberated under the terms applying to the ordinary bank defaulter, but we hear recommendations that he be given additional reward for the sacrifices he has made for the people of the United States.

In view of the fact that he reopened this bond house when he was put on the War Finance Corporation, in view of the fact that he marketed \$90,000,000 worth of the bonds of the Government, Eugene Meyer, head of the War Finance Corporation, handling the bonds of the Government through Eugene Meyer, jr., the same stock-investment man in Wall Street, in the teeth of the law, do not talk about prosecuting anybody, do not talk about it.

What is the use of the United States Government sending to Greece to get Insull when you have forty times the Insulls right here among you? What is the use going 4,000 miles and trying to get hold of somebody before he leaves? I remember the old Roman orator who made a statement about some conspirator who was in a midnight plot to wreck the government, and in that old oration this Roman said:

Does he live? Does he live? Yea, more, he even comes into the Senate and sits with the men making the laws.

To-day it is said with regard to these celebrated gentlemen: "Are they free? Are they free?" Yea, more, they not only are free, they not only sit with us, but they are given powers above us, and to-day are dictating the laws of the people of this country, and their recommendations are to-day being written to cover up whatever guilt or crime can be charged against them.

Hurry! Hurry! Get this bill through quickly while you have somebody in the White House who will sign it. Hurry! Let us hurry!

Oh, it is true that a few million people are starving to death, but that will not hurt anything. We might declare war with Liberia for a little while in order to get it fixed up and do it under war powers. I would not be a bit surprised to see some announcement that we declare war with Venezuela, or Liberia, or some other little nation, so that under war powers there would be no question of this thing being done by fiat.

I am certainly glad that I have time enough to discuss these matters. For a long time I have wanted to say something about these questions. I am just trying to locate the salient features of this speech delivered by Representative STEAGALL. I would just as soon have the clerk read this, but it will probably please the Senate better if I read it myself, as I have said. Mr. STEAGALL said this:

Availing myself of the privilege and courtesy granted by the House to express my views regarding the work of the special committee appointed under Resolution 231 to investigate the bond operations of the Treasury Department, I shall not go into the matter in all its phases nor at such length as I should do were it not for the able manner in which the case has been discussed by the gentleman from Illinois [Mr. King], the ranking member of the Republican Party on the committee. In this connection I desire to commend in the highest terms the service rendered by the gentleman from Illinois [Mr. King], who has displayed the finest qualities of courage, patriotism, and devotion to duty. He has shown himself capable of rising above partisanship and meeting his duties in a way befitting a true representative of the people.

Now I skip a little:

In addition to the statements in the press just when the committee was about to begin its labors, the Secretary of the Treasury—

Who at that time was Mr. Mellon, the greatest Secretary of the Treasury since Hamilton—

issued a report to the President of the United States consisting of a volume of about 200 printed pages, which was circulated by



him all over the United States, both in the press and direct to bankers and financiers. An examination of this report revealed an attack so filled with abuse and vituperation, directed not only against the Mr. Charles B. Brewer, attorney of the Department of Justice, who was accused of having brought the charges, but against every witness or employee who had furnished information, and disclosed resentment and bitterness to an extent which at least detracted from the report, if, indeed, it did not discredit its statements. The committee learned that Mr. Brewer was not only an attorney of the Department of Justice with instructions to investigate this matter, but that he had been called into conference by President Harding and specifically instructed by the President to continue, as his personal representative, the investigation which had been undertaken. The confidence of President Harding in Mr. Brewer is well expressed in the following letter:

Mr. STEAGALL then inserted the letter, and said that among the charges were the following:

It was charged—

That Benjamin R. Stickney, one of the 28 discharged employees of the Bureau of Engraving and Printing had, as a principal with Ralph, the former director, in a bribe of \$8,000 to a representative of the Mexican Government, in a patent scheme exploited the facilities of the bureau for their joint private gain, which came to light in a suit between the parties and was evidenced by a memorandum signed by Chief Justice McCoy, of the Supreme Court of the District of Columbia. Stickney was reinstated and is still employed at the Bureau of Engraving and Printing.

It was charged again—

That James E. Chamberlain, another one of the 28 discharged employees, made unrestricted use of the Bureau of Engraving and Printing as a salesroom for farm products, hauled from Virginia in Government machines; that he had been arrested for having a still on his premises made partly of Government material; of hauling the corn for making liquor in Government machines.

He was charged with taking from Government storehouses, without pay, other ingredients.

After going through those charges, Mr. STEAGALL said, going further:

The committee called as a witness the chief of the division in charge of registered bonds and he stated that at this time the total number of duplicates in registered bonds was 5 and not 35,772, as was left to be implied.

When the committee discovered that bonds which the Secretary of the Treasury claimed had never been printed, and on the non-existence of which he based a conclusion that duplications were the result of innocent error—were coming into the Treasury and were being paid, it developed that this had been going on for months, though no hint of the fact had been given to the committee. The matter was called to the attention of the Secretary of the Treasury. His answer relative thereto is incorporated below in a column parallel to the statements which he had made in his report to the President. These statements follow:

#### SECRETARY'S REPORT OF APRIL 26, 1924, TO THE PRESIDENT

A Treasury committee has investigated each instance of duplicated serial number and in practically every case has determined the serial number which should have been borne by one of the duplicated numbered securities.

In other words, they found out that there were no duplications. They had investigated the whole thing, and in each instance had found out that whatever bond they had was one that should have borne the same serial number on the one that had been lost or destroyed. But in the letter of February 4, 1925, to the committee he said this:

Apparently the committee has gained an inaccurate impression as to the meaning of the allocations.

Then in that letter to the President he went on to say:

It was a simple matter \* \* \* to see whether any of these open numbers could be allocated as an offset against the duplicates.

The allocation \* \* \* was not made at random. \* \* \* The accuracy of this allocation was subsequently confirmed. \* \* \*

The allocation is likewise confirmed. \* \* \* The coupon files furnished still further means of establishing the identity. \* \* \*

\* \* \* The committee's report \* \* \* is attached and the facts reported are most convincing.

\* \* \* The committee has been able in 1,668 instances to establish "offset" numbers. In the remaining 349 cases definite allocation of "offset" numbers has not been established. \* \* \*

But in his letter to the committee he said:

These allocations represent the Treasury's tentative selection of numbers presumed to represent the bonds displaced as a result of erroneous numbering, erroneous entering, erroneous posting. \* \* \*

The allocations, therefore, are merely the Treasury's prediction or opinion as to the particular serial numbers which were never issued.

In one instance he tells us he has located them exactly, all but 349, and in the next instance a year later he said it was a matter of guess. I am giving this in order to let us see the personnel that has been in charge of the Federal reserve bank, that we are now going to put in charge of the banks and combine them into one or two big chains. That is just the high light on him.

Now I go over further, and I will take up the case of Mr. Eugene Meyer a little more, as reported by Representative HENRY B. STEAGALL, of Alabama, one of the greatest public servants that this country has ever had. He is chairman of the Banking and Currency Committee of the House of Representatives—Hon. HENRY B. STEAGALL, who not only knows and understands this kind of matter but who has gone to the bottom and unearthed more filth in this kind of manipulation than any man that has ever been in the Congress, with the possible exception of Representative Pujo, who served in the House of Representatives in 1905. What I now read applies to Mr. Mills. Mr. STEAGALL said:

Mr. Speaker and Members of the House, I happened to be a member of the special committee of the House that conducted an investigation of the bond operations of the Treasury Department. During our investigation Mr. Charles B. Brewer, the gentleman whose reliability has been brought into question by the gentleman from New York [Mr. Mills] appeared as a witness before us. Mr. Brewer was an attorney in the Department of Justice, holding the rank of special assistant to the Attorney General. He had been attorney in the Department of Justice for eight years.

This is the same man who, when they tried to let him out of the department, was called to the White House by President Warren G. Harding, who told him he wanted to appoint him to conduct this investigation on his own account.

For many years prior to this he had been a trusted employee of the Navy Department.

If Members will read the report of the special committee to which I have referred they will find the esteem with which the members of that committee regarded him.

Then he sets forth all the letters here. Mr. Pou, of North Carolina, said to Mr. STEAGALL:

Was any reason given for his dismissal?

Mr. STEAGALL. None whatsoever, and his dismissal was contrary to law for the reason that he had a civil-service status.

But they fired him just the same when he began to uncover the great skin game going on down there.

When President Coolidge had his attention called to this unjust and high-handed action he overruled the action of the Attorney General and reinstated Mr. Brewer. After the special committee of the House had filed its report supporting Mr. Brewer the present Attorney General issued another order dismissing Mr. Brewer.

They would not keep him at all. He knew too much.

When members of the special committee appeared before him to protest this action he stated that he could not undertake to go into the merits of the matter and proceeded to put into effect the order of dismissal prepared by assistants to the former Attorney General.

Whatever anyone may think of Mr. Charles B. Brewer, I want to say that the findings of the special committee were not based upon the testimony of Mr. Brewer. The special committee availed itself of the assistance of Mr. Brewer in developing the facts by the records of the Treasury Department and the testimony of officials of that department, and the findings of the special committee are based upon those disclosures.

Now, I wish to discuss the matter of losses sustained by the Treasury Department in its transactions in bonds. I shall not attempt to deal with operations in which alien-property funds were used. The select committee of the House investigated other bond operations conducted by the Treasury Department. Just here let me say that the Ways and Means Committee of the House had stricken from a bill submitted by the Treasury Department the provision giving authority to the Secretary of the Treasury to buy and sell bonds and limiting Treasury operations to the purchase of bonds. A provision conferring general authority to buy and sell bonds was included in the War Finance Corporation act.

And now I am getting down to Mr. Meyer. Congress had refused to confer the authority on the Treasury Department even to resell bonds—

Notwithstanding Congress had refused to confer direct authority upon the Treasury Department to resell bonds, Treasury officials entered upon a program of stupendous operations, running into

hundreds of millions of dollars, in the buying and selling of bonds in the stock exchange, using the medium of the War Finance Corporation.

They put brother Meyer there. They had forbidden the right to engage in speculation in bonds through the Treasury Department of the United States, but they had this racketeer and bucket-shop operator, Eugene Meyer, as head of the War Finance Corporation, and what he will not do is in the books when it comes to this kind of a matter:

My information is that the Treasury Department never attempted to avail itself of the use of the Alien Property Custodian funds in its bond operations until the War Finance Corporation had ceased to function.

When they ran out, they used the Alien Property Custodian to do it:

Members of the House will remember that under the provisions of the War Finance Corporation act that corporation was to go out of business upon the President's proclamation of peace—

That is when they were to go out of business—

but the Attorney General furnished an opinion prior to the President's proclamation that the activities of the War Finance Corporation should cease, and it was after the termination of the activities of the War Finance Corporation that the Treasury Department resorted to the use of Alien Property Custodian funds.

But what do we find in the bond operations conducted by the War Finance Corporation? The same story applies to the operations in that connection that has been disclosed by the gentleman from Texas regarding transactions in which funds of the Alien Property Custodian were used.

I want to show you what happened to the Treasury in the operations conducted through the War Finance Corporation.

First, The Treasury Department lost \$60,000,000 in buying Victory and third 4½ bonds, paying as high as \$98 per hundred, when other issues of Liberty bonds were selling on the market as low as \$86.

They went out and paid \$98 of Government money for bonds when almost the same kind of bonds, practically speaking, according to this testimony, could have been bought at that time for \$86. They lost \$60,000,000 of the money of the people of America buying bonds from whom? I will show you in a moment from whom. They were buying bonds for \$98 and selling others for \$86—\$12 less. Does he live? He is to-day in charge of the resources of the money of the United States of America, and they have a bill here to give him more power.

Why should the Treasury Department throw on the market a vast volume of bonds selling as low as \$86 when it was well known that ultimately those identical bonds would have to be repurchased by the Treasury at par?

They bought them at \$98, while throwing others on the market at \$86.

Why not make the money invested in bonds cover the largest amount of outstanding bonds that could be purchased for a given sum? What excuse can be offered for paying \$98 per hundred for bonds when a larger amount of bonds could be purchased at \$86? It was well known that bonds resold on the market at a low price would eventually come back to the Treasury for redemption at par, and in this connection I want to ask why it should have seemed desirable to boost the price of certain bonds by having the Treasury engage in their purchase and reduce the price of others by having the Treasury sell them?

They were operating the most gigantic skin game. They were selling one kind of bonds in order to put them down to \$86 and they were buying another kind of bonds in order to be able to pay \$98.

Mr. BLAINE. Mr. President, will the Senator yield that I may suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Broussard	Couzens	Glenn
Austin	Bulkeley	Cutting	Goldsbrough
Bailey	Bulow	Dale	Gore
Bankhead	Byrnes	Davis	Grammer
Barbour	Capper	Dickinson	Hale
Barkley	Caraway	Dill	Harrison
Bingham	Carey	Fess	Hastings
Black	Connally	Fletcher	Hatfield
Blaine	Coolidge	Frazier	Hayden
Borah	Copeland	George	Hebert
Bratton	Costigan	Glass	Howell

Hull	Moses	Schall	Tydings
Johnson	Neely	Schuyler	Vandenberg
Kendrick	Norbeck	Sheppard	Wagner
Keyes	Norris	Shortridge	Walcott
King	Nye	Smith	Walsh, Mass.
La Follette	Oddie	Smoot	Walsh, Mont.
Logan	Patterson	Stelwer	Watson
Long	Pittman	Swanson	Wheeler
McGill	Reynolds	Thomas, Idaho	White
McKellar	Robinson, Ark.	Thomas, Okla.	
McNary	Robinson, Ind.	Townsend	
Metcalf	Russell	Trammell	

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

(At this point Mr. LONG yielded to Mr. BAILEY, who presented the credentials of his colleague [Mr. REYNOLDS] as a Senator from North Carolina for the term beginning March 4, 1933.)

Mr. LONG. Mr. President, as Representative STEAGALL shows here, they were selling some bonds at \$86 and buying others back at \$98, until they spent in this way \$60,000,000 of the people's money. They were not trying to establish any bond market; they were trying to wreck the bond market.

What excuse—

Representative STEAGALL asked—and I am dealing with the Federal Reserve Board now. I have dealt with one member, and I am now dealing with the second member, Mr. Eugene Meyer, the kingfish of the lodge. I am dealing with his case now.

What excuse can be offered for paying \$98 per hundred for bonds—

Says Representative STEAGALL—

when a larger amount of bonds could be purchased at \$86? It was well known that bonds resold on the market at a low price would eventually come back to the Treasury for redemption at par; and in this connection I want to ask why it should have seemed desirable to boost the price of certain bonds by having the Treasury engage in their purchase and reduce the price of others by having the Treasury sell them?

If they were trying to establish a market for bonds, why was it that the days that the Treasury would buy the bonds in at \$98 it would turn around and sell some at \$86? I am dealing, as I have said, with the case of Hon. Eugene Meyer, who by the bill that is being pressed here by the Senator from Virginia, and which was introduced one morning and brought back the same day without a hearing and has been placed upon the calendar under a hurry, hurry order, will be placed in more complete charge of the finances of the country.

Why should the Treasury by selling operations beat down the price of the lower bonds when most of the small purchasers who bought in response to appeals to their patriotism had their investments in them?

The Government had sold those bonds to the American people. The cry was "give until it hurts; make the world safe for democracy." Yet the Government depreciated bonds down to \$86, not only costing \$60,000,000 to the Treasury of the American people, but breaking down the market of the bonds of the people themselves.

These are the patriots of the country; God save the mark, if we have got to go on with them. I do not care whether you put a Democratic label or a Republican label on the bottle, it is the poison that is going to kill what life remains in the American people. If we have got to go on with that outfit, we might just as well stop here. If that gang is going to come in and stay here under the rule we are going to have after the 4th of March, I am not going to be one who will fail to expose this kind of situation when March 4th comes or when any other day comes. We must get relief from this intolerable condition of starving the people to death and selling their bonds at \$86 and buying them back at \$98 contrary to law.

Now, let me quote a little further, so that this situation will be well understood. No wonder they call us the liberals. We are liberal enough to reproduce the public record, even the congressional record, in connection with a bill that intends to put this man in charge of the finances of the United States, a bill that even goes so far as to endeavor to



take the representative of the Treasury of the United States off the Federal Reserve Board, in order that the power of the board may be unlimited. That is what this bill proposes to do.

Mr. GARNER, of Texas, said:

And as I understand the gentleman, in each of those transactions they lost money.

Mr. STEAGALL. According to the very nature of the transactions it was impossible for the Treasury ever to make anything.

It does not need arithmetic to show that you can not sell bonds at \$86 and buy some others at \$98 and make money.

Mr. STEAGALL continues:

The best the Treasury could ever do was to take from the War Finance Corporation bonds and pay for them at cost, but every time a loss was sustained it was transferred to the Treasury. In every instance where bonds were sold below par there was a loss to the Treasury because ultimately it was up to the Treasury to redeem all bonds at par. Furthermore, there were numerous transactions where the War Finance Corporation—

This business was being transacted, as the Senate will understand, through the War Finance Corporation. I will connect that corporation up in a moment. Mr. Eugene Meyer was the moving spirit of the War Finance Corporation where they were slipping this thing through. Mr. Meyer is at present at the head of the Federal Reserve Board, controlling the finances of the United States, and, in view of the marvelous record he has made for the people of the country, the bill is now being amended so that Mr. Meyer's power may be extended in order that all the banks can be chained under him and that every operation of finance may be under his clique. What is the use of keeping Capone in Atlanta? What is the use of hunting for Insull over in Greece?

Mr. STEAGALL further says:

Furthermore, there were numerous transactions where the War Finance Corporation sold bonds for less than what had been paid for them, and in every such case the loss was arbitrarily charged as a part of the cost of bonds remaining on hand which were in turn ultimately sold to the Treasury. There was a loss of \$23,000,000 in interest alone, which accrued on bonds held by the War Finance Corporation after purchase before delivery to the Treasury, and a loss of \$60,000,000 which came about as I have just explained.

That was selling them at \$86 and buying them in at \$98.

In this connection I want to ask—the gentleman from Texas has covered it so well that nothing can be added to what he said, but I will ask how it is possible to stabilize prices by selling the lower bonds and buying the higher—whoever heard of anybody attempting to support the strength of the market by selling it down?

I understand the excuse of this gentleman was, when they cornered him and found out that he had been buying bonds in at \$98, he claimed he was trying to stabilize the market, but they faced him with evidence that he was selling some at \$86 at the same time. This is the gentleman now being extolled. We are about to erect a monument to him before it is too late; this is the gentleman who is about to be covered up with raiment as holy as the whited sepulcher itself. He is to be given a blessing and made the keeper of the ark of the covenant.

Mr. STEVENSON then asked Mr. STEAGALL this question:

Will the gentleman yield for a suggestion there?

Mr. STEAGALL says:

In these operations the Treasury Department was using the funds taxed the War Finance Corporation and that corporation was charged by the Federal Government with stock amounting to \$5,000,000 owned by the Government. It may have been right, if Treasury officials desired to do so, to use War Finance Corporation funds to bring about certain conditions in the market for Government bonds; but, as the gentleman from Texas has so well said, I fail to see how any trustee has a moral right to go out and use the funds of his ward except for the benefit of the ward. Now I yield to the gentleman from South Carolina.

Mr. STEVENSON. I simply want to direct the gentleman's attention to the fact that the bonds that needed stabilizing most were those that were lowest, whereas when they bought they bought the highest.

Mr. STEAGALL. Absolutely.

Mr. Mills, who was at that time in Congress, interrupted and said:

Mr. MILLS. Will the gentleman yield for a question?

Mr. STEAGALL. Yes; I yield to the gentleman from New York.

Mr. MILLS. I would like to ask the gentleman if he does not think that any trustee in charge of investments should sell securities at a time when he thinks it is advantageous and buy securities for his trust when he thinks that is advantageous?

Mr. STEAGALL. Ah, but the gentleman said in his argument as an answer to the insistence that these funds had been held in a way that resulted in a loss to the Alien Property Custodian fund that the purpose of manipulation and speculation by the Treasury Department was to boost American bonds—not to help the funds that belonged to our wards.

Mr. MILLS. During the last administration, not during this administration, I also stated that those operations showed a profit for the trust fund.

Mr. STEAGALL. But the gentleman will remember the use of the Alien Property Custodian funds was not resorted to until after the Democratic administration had gone out.

Mr. MILLS. The gentleman is mistaken. They were resorted to in order to maintain the market during the Democratic administration and very properly so.

Mr. STEAGALL. But they used in that instance the funds of the War Finance Corporation, for which they had special authority granted by Congress.

Mr. MILLS. And the Alien Property Custodian fund?

Mr. STEAGALL. That is different from my information, if it is true; but in any event it is immaterial. The Treasury lost \$24,000,000 where the price paid for bonds on various dates was above the market price of the bonds.

Twenty-four million dollars was paid where the price paid for the bonds was above the market price. We will get down to the reason of this in a minute. We will want to know why. As the old song said that we used to hear in the play of Madame Sherry, many years ago:

Every little movement has a meaning of its own.

Now, what was the meaning of this business?

Mr. GARNER of Texas. And the same kind of transaction had in this instance?

Mr. STEAGALL. Absolutely on all fours with the transactions where funds of the Alien Property Custodian were used. The testimony before the investigating committee of Congress shows without conflict that in practically every transaction where the War Finance Corporation bought bonds and on every transaction where bonds were sold commissions were paid.

Now we are going to get a little closer to this gentleman:

It is easy to understand that where the sum of \$158,000,000 is turned over in transactions that run up to \$2,400,000,000, with commissions on every transaction, somebody is going to be made happy.

Who was made happy? We are going to get down to this in a minute. Some one may feel like supporting this bill. You are going to find out that this gentleman, who is going to be in charge of the Government even more than he is now, is a real scholar, par excellence.

I want to call attention to something else in connection with these transactions.

Now I am coming to it:

The managing director of the War Finance Corporation had a bondhouse in New York—

This was Mr. Eugene Meyer—

which was owned by him individually. That bond house was in process of liquidation and practically out of business when he was made managing director of the War Finance Corporation. One of his first acts after his appointment as managing director of the War Finance Corporation was to revise his bond house in New York.

Get this:

The testimony shows that he sold to his bond house to the extent of \$70,000,000 and bought from it to the extent of \$10,000,000.

He sold to his own bond house \$70,000,000 worth of bonds at 86 and bought \$10,000,000 worth of bonds from them at 98. And yet, gentlemen of the Senate and Mr. President, with Mr. Eugene Meyer manipulating that kind of a transaction, in the teeth of the law—for even though the thing had been a profit to the Government and had not been an act of rascality on any other ground, it was against the law for a man who was the director of the War Finance Corporation and running the business to be dealing with his own house—but in the teeth of that proposition he was shown to have had a bond house that he was liquidating,

and he reopened it and did business with them to the tune of \$80,000,000, selling them bonds at 86 and buying others at 98.

So says Mr. STEAGALL, going a little farther:

These transactions were conducted by the managing director of the War Finance Corporation in his name as managing director with the bond house in New York which he owned and which was run in the same name. In every transaction where he either bought or sold bonds the managing director of the War Finance Corporation paid commissions to the same person who owned and ran individually the bond house in New York.

Eugene Meyer, head of the War Finance Corporation, sells Eugene Meyer's bond house \$70,000,000 worth of bonds. Eugene Meyer, director of the War Finance Corporation, buys from Eugene Meyer's bond house \$10,000,000 worth of bonds. Eugene Meyer, for the Government, sells bonds at 86. Eugene Meyer, for the Government, buys bonds back at 98. Eugene Meyer, for himself, buys bonds at 86 and sells some to the Government at 98.

That is a splendid illustration.

A MEMBER. Name him.

Mr. STEAGALL. Some one insists that I name him. I suppose every Member of the House knows that Eugene Meyer, jr., was managing director of the War Finance Corporation. These transactions conducted by Eugene Meyer, jr., managing director of the War Finance Corporation, with the bond house of Eugene Meyer, jr., in New York were covered by bills with the heading of Eugene Meyer, jr., 14 Wall Street, and approved by Eugene Meyer, jr., managing director of the War Finance Corporation.

Abel and Cain, the same man! The bonds were bought from him and approved by him for the Government.

The books of the War Finance Corporation disclose that commissions were paid—

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. I did not understand whom the Senator was talking about. He said something about Abel and Cain. I was curious to know who he said was the same man.

Mr. LONG. Eugene Meyer, the kingfish of the Federal Reserve Board. [Laughter in the galleries.]

The books of the War Finance Corporation disclose that commissions were paid covering both purchases and sales.

Why, they were not satisfied to take the Government bonds at 86 and buy others back at 98, but they even charged the Government a commission to make \$12. Huh! I am afraid that while Capone is in Atlanta he is going to have time to read the career of Eugene Meyer; and if he does, and ever gets out, God save the people of the United States if he learns about it! [Laughter in the galleries.]

Mr. President, that is the record of Congress. The world will know about this. Instead of emulating Eugene Meyer and extolling him here, the world has never heard this exposure of HENRY B. STEAGALL disputed by a man in public or in private life. It is one of the greatest, most monumental services ever performed by a citizen of America to 120,000,000 people. If there is ever to be credit done to any living man, a monument should be erected in the most conspicuous place in the Capital of this Nation to the courage and honor of the great Congressman STEAGALL, from Alabama, who feared not to expose the damnable transactions of this racketeer to whom to-day we are to turn over this Government, lock, stock, and barrel.

That is No. 2. That is two of the members. Now, I have a little something here I want to read to the Senate, about 60 or 75 words, that I think will be interesting. Here is something else:

Extracts from interpellations by Louis Marin, of the French Chamber of Deputies.

I am reading now from the interpellations of Mr. Marin, of the French Chamber of Deputies. I am quoting him.

I do not know exactly to what point President Hoover has wished to show in particular the private interests of America in Europe—

Said Mr. Marin, and I want you to get this—

but I know the whole American press heralded the moratorium vehemently—

I am one of those that was for the moratorium myself. I did not investigate it. I said, "It is all right with me," so I am not criticizing it. I am quoting Mr. Marin.

I continue to read:

but I know the whole American press heralded the moratorium vehemently, as it had heralded vehemently the Young plan, saying to the American Government that it was its duty to preserve the private credits of American banks invested in Europe and notably in Germany.

Now, get the figures:

These credits are extremely considerable since according to the American Department of Commerce they do not allow the amount of less than 400 milliards (equivalent to a billion) of francs for the whole world. This same department recognizes that more than 16 milliards of francs are invested in Germany as long-term credits without the war debts, and the short-term credits and deposits of American banks in foreign banks, etc.

The same statistics show that the profits realized by the United States from the direct effect of the economic reconstruction of Europe after the war compensated very largely for the sums which they have advanced to the Allies for the war.

They also show, on the other hand, by the considerable diminution of the renewals of these investments made abroad by America over the past two years that the United States exposed themselves to the risk of harming their own nationals at the same time as their debtors by demanding from them payment of the debts.

I am obliged thus to read to the Chamber on this subject the document which I have already formerly read to it. It emanates from the Financial Committee of the American Senate, which proceeded to an inquiry of the investments made by American banks abroad, notably in Germany. This document shows in an irrevocable fashion that the American banks have adventured the money of their depositors without regard for any security, solely preoccupied with receiving large commissions.

According to this gentleman, enormous billions—sixteen billions, maybe it was; I will look back here in just a minute to verify the exact amount—but he says that the document showed that the American banks had "adventured the money of their depositors without regard for any security, solely preoccupied with receiving large commissions."

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. Did I understand the Senator to say this morning that this bill provided for eliminating the Secretary of the Treasury of the United States from the Federal Reserve Board?

Mr. LONG. That is correct.

Mr. WHEELER. In what section is that?

Mr. LONG. I will get it for the Senator in just a moment; this is a very involved and complicated bill. I am having the text of the old Federal reserve act copied, and in red letters I will indicate what has been interlined, and otherwise designate what has been deleted by the pending bill. I want to have it so printed that one may understand at a glance what change has been made.

The bill does not say that we strike out the Secretary of the Treasury, but it just says that "the board shall be hereafter composed of the following," and it leaves out the Secretary. I will get the section in just a moment, if the Senator will bear with me.

Mr. WHEELER. I believe it is in section 6.

Mr. LONG. That is correct. It reads:

A Federal Reserve Board is hereby created which shall consist of seven members, including the Comptroller of the Currency, who shall be a member ex officio, and six members appointed by the President of the United States, by and with the advice and consent of the Senate.

It has heretofore read so as to include the Secretary of the Treasury of the United States and the Comptroller of the Currency, and to consist of 8 members, but they are seeking to reduce it, so that there will be 6, and only 1 Government official, who is more or less farther removed, and the Secretary is eliminated, who was supposed to be the dominating factor of the board, but whom we now know to have been more or less sidetracked, except for the assistance he could give to these various things. He would be eliminated entirely by the pending bill.

Mr. WHEELER. Does the Senator know why the Treasurer is sought to be eliminated by the bill?



Mr. LONG. I can only state that circumstantial evidence and suspicion indicate to my mind only one reason. He is feared, probably, I would say, by reason of so many illegalities having been transacted, and a large number of billions of dollars currency credits having been entered on the books for both foreign and domestic investors. In other words, instead of issuing currency, which they would have had to report to the Senate, they have done what the law did not give them a right to do; they issued what they called a credit for notes on the books, and when they made their report they did not report that as being currency issued.

Now the chickens have come home to roost. Times have gotten hard. They have gone as far as they could go with that thing, and they are going to have to smear it over and work the thing out some way or other. I think they did not know just who might be the Secretary, whether he might not be changed. He would be subject to removal, or something of that kind, if he did not act in line with this business, and therefore under those circumstances it is a good time to get rid of the public officials. In other words, it is a good time to get rid of the United States Government, except to use its money. It is a good time to let the Government have nothing to do with this, and to carry out that purpose they seem to have done pretty well. They would take away from the United States Government the returns from the excise taxes they are getting from these banks to-day. They say the Treasury needs money, but they are taking that money away from the Government.

Mr. WHEELER. How much did the excise tax amount to?

Mr. LONG. I do not know. I intended to get those figures to-day. I do not know just how much the excise tax has yielded. No one has seen fit to volunteer me any information on any of these details as I have gone along. No one has volunteered any information, and I have had to stop and go off and dig up these data at night, and I do not know how much the excise tax has yielded, but it has amounted to a large sum of money. But all that money which used to be contributed in the way of a franchise tax they have stricken out of the bill, and they give that money to the banks. Then they want to put a sales tax on the people, because there is a shortage in the Treasury, and apparently they are trying to take out of the Treasury the money that was coming in through the excise tax.

Mr. WHEELER. It seems to me that undoubtedly the Senator could get the information he desires by calling upon members of the Banking and Currency Committee to tell why the Secretary of the Treasury was left out.

Mr. LONG. I do not think members of the Banking and Currency Committee understand this thing themselves, because they never held a hearing on this bill, and they know less about it than we know. They had hearings on a couple of other bills, but they did not have a hearing on this bill. But that is not all they are taking out of the pockets of the people through this bill. They are not only proposing to take away the money we get out of these excise earnings from these banks with which to run the Government but they are proposing to take \$125,000,000 out of the Treasury itself, as a liquidating fund for these banks.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. Everybody in the United States but the Congress knows the country is in bad condition. I would like to ask the Senator what this bill offers as emergency relief for the people of the country?

Mr. LONG. I am glad to answer that question. I will tell the Senator what it offers the people. It offers to take away from them \$125,000,000 which they are now getting.

Mr. THOMAS of Oklahoma. The Senator means the appropriation?

Mr. LONG. I mean that it offers to take \$125,000,000 out of the Treasury. It offers to take away from the people the returns from the excise tax they are now getting. It offers to put out of business what little banks there are in

the country unless they come in or are taken over by a chain system. It offers to consolidate all the functions which have been performed in the past, and in the way of relief it does everything except furnish the coffin. If they had provided the coffin and burial expenses, this bill would have been complete. The only thing they failed to wind up with was burial expenses and a preacher. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President, section 6 provides for the creation of a new Federal Reserve Board. What is the matter with the present Federal Reserve Board, if anything?

Mr. LONG. I do not know.

Mr. THOMAS of Oklahoma. Section 7 provides for the creation of an open-market committee.

Mr. LONG. That is correct.

Mr. THOMAS of Oklahoma. We have an open-market committee, which bought more than a billion dollars of bonds last year.

Mr. LONG. That is correct.

Mr. THOMAS of Oklahoma. What is the occasion for a new open-market committee?

Mr. LONG. Mr. President, I regret the necessity for making such statements as I feel compelled to make; there ought to be a hearing on the bill. But my advice, from men who are supposed to know about this matter, is that there have been some marketing and some machinated currency credits given on the books, and there was bound to be some provision to legalize them.

Mr. THOMAS of Oklahoma. If I may ask another question, section 12 (b) provides for a Federal liquidating agency or corporation. The facts are that in the last 10 years 11,000 banks have closed their doors. Those banks have either been liquidated or are in process of liquidation. Is it contemplated we are going to have a lot more bank failures and that we need an enlarged liquidating corporation?

Mr. LONG. I made a little mistake in a statement I made a moment ago; they are providing a funeral procession along with the bill, because it is naturally anticipated that they are going to close up a bunch of banks. In other words, this bill naturally contemplates the result that has been happening under similar circumstances. Therefore, they have provided a funeral cortège to go along with the bill.

Mr. BLAINE and Mr. WHEELER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield to the Senator from Wisconsin. Then I will yield to the Senator from Montana.

Mr. BLAINE. Before the Senator leaves that subject of the liquidating corporation, I want to direct his attention to the bottom of page 14 and the top of page 15 of the bill, and then make an inquiry.

Mr. LONG. Very well.

Mr. BLAINE. After providing for the creation of a Federal liquidating corporation, the bill provides:

The management of the corporation shall be vested in a board of directors consisting of 5 members, 1 of whom shall be the Comptroller of the Currency, 1 a member of the Federal Reserve Board, designated by the board for the purpose, and 3 selected annually by the governors of the Federal reserve banks under such procedure as may be prescribed by the Federal Reserve Board.

Has the Senator's attention been directed to the fact that the Federal reserve banks are heavy creditors of national banks, and that by this provision the Federal reserve system is going to control absolutely, through a majority of the board of directors, the liquidation of those banks?

Mr. LONG. I did not know that was in the bill; but the Senator will keep finding things just like that. I had no idea that there was any such thing as that in the bill. I did not know they were just taking \$125,000,000 and putting it under their own control. I will have to confess to the Senator that I did not know that was in the bill. There is nobody here who knows what this bill is.

Mr. BLAINE. Mr. President, will not the Senator be generous enough to suggest that some of the Senators know some of the things in the bill?

Mr. LONG. Yes; we are learning them. I have had more pointed out to me while I have been discussing it than I knew before I started to discuss it. They are talking \$125,000,000—

Mr. WHEELER. What page is that?

Mr. LONG. That is on the bottom of page 14, section 12, subsection (b).

The management of the corporation shall be vested in a board of directors consisting of five members, one of whom shall be the Comptroller of the Currency.

That is another reason why they slipped the Secretary of the Treasury out of there. They could not have overlooked him. It might have been embarrassing, because the Treasury Department is under some pretty strict surveillance at times, not often, but at times.

One of whom shall be the Comptroller of the Currency, one a member of the Federal Reserve Board designated by the board—

They get that one in, you might say, but if they do not—three selected annually by the governors of the 12 Federal reserve banks under such procedure as may be prescribed by the Federal Reserve Board.

The proposal is to remove the people's \$125,000,000 out of the Treasury, to take away from them their franchise tax, to take the Secretary of the Treasury off the board, legalizing illegalities, to take \$125,000,000 of the people's money and turn it over to a board a majority of whom are selected by concerns which are not accountable to anybody but themselves.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield again?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the Federal Reserve Board, as the agent of the Congress, is presumed to have for one of its main functions the keeping of money in circulation in some form?

Mr. LONG. I would think so.

Mr. THOMAS of Oklahoma. I desire, then, to submit to the Senator two or three statements, and ask him a further question.

I have in my hand a report of the Federal Reserve Board of date January 5, 1933. The Federal Reserve Board makes a report each week. It so happens that the reports come out on Thursday about 4 o'clock. We will have one at 4 o'clock to-day.

I quote from the last report, submitted at 4 o'clock on January 5 last. This report shows that during the week prior to January 5 the Federal Reserve Board, in conjunction with the Federal reserve banks, took out of circulation the sum of \$18,000,000.

The report on the preceding Thursday, December 29, showed that for the week preceding that date the Federal Reserve Board took out of circulation the sum of \$43,000,000.

Mr. LONG. That makes \$61,000,000, \$18,000,000 and \$43,000,000.

Mr. THOMAS of Oklahoma. The report shows that on December 22, for the week preceding that date, the Federal Reserve Board took out of circulation \$43,000,000.

I have before me likewise a statement from the Treasury showing that on July 31 there was in circulation as of that date \$5,726,000,000. The last report, of last Thursday, shows \$5,669,000,000, showing that since July 31 the Federal Reserve Board has taken from circulation and canceled money in the sum of \$57,000,000. Does the Senator think that is the proper way to bring about an increase in commodity prices and relieve the people of the United States?

Mr. LONG. I must confess I did not know that. I do not know what to think. I do not know what is going on in the country to-day. I can not conceive, with the people of this country from one end to the other and the sentiment of this Congress clamoring for expansion of the medium of exchange, that they would be retiring currency at this time. I would not have thought it. I am not surprised, however. I am not a bit surprised. I have passed beyond the period when I can ever again be surprised.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. Speaking about expansion of currency, when the Reconstruction Finance Corporation bill was before this body, it was whispered around in the corridors of the Senate and everywhere else that it was absolutely necessary to pass that bill and to pass it in very much of a hurry; that unless we did, a lot of big banks were going to fail, a lot of insurance companies and railroad companies were going to fail; that it would mean a tremendous expansion of currency and likewise it would immediately bring back prosperity. When the Glass-Steagall bill was before us, it was said that that would accomplish the same thing. But business conditions in the country have been getting continually worse.

Now, we are told that unless this bill passes, chaos in general will prevail in the country, and that this will be of great relief to the people of the country. The truth about it is we have not passed in the Congress of the United States since 1929 one single piece of legislation that tended to expand the currency of the country. It was said that Federal reserve banks would go out and buy Government bonds and buy more Government bonds. One financial leader said to me, "If that takes place, we can end this depression in 60 days' time."

I want to say to the Senator in all seriousness that I hope he will join the Senator from Oklahoma [Mr. THOMAS] and some others who say that the Congress of the United States must enact some legislation which is going to expand the currency and which is going to inflate or reflate it so the purchasing power of the dollar may be brought back to where it was, or nearly to where it was, in 1926, during somewhat normal times. So far as I am concerned, I am perfectly willing to try to stop all legislation until the Congress wakes up to the necessity of doing something for the people of the country. I know a lot of people will simply say that can not be done and this can not be done, but I say that the Senate and the Congress have not done one blessed thing since we have been in session, and I am of the opinion that it is not going to do anything of the kind. I doubt that a special session will do anything of the kind unless the so-called leaders in the Congress wake up to conditions.

Senators may laugh and sneer all they want to, but let me say to Members of the Senate that unless something of that kind is done they are going to see this country pass through a very critical time; and in addition to that, they are going to see more of the kind of things that are going on in the Middle West and in some places in the South, where nothing except anarchy is prevailing at the present time, where the people will not let the courts serve processes, and where the courts do not dare to serve processes because of the fact that the people are meeting and telling them if they do, somebody will be found hanging to a lamp post.

We are going to sit here in the Senate and fight over the branch banking bill. We are going to sit in the Senate and fight over the beer bill. We are going to sit here in the Senate and fight over some other petty bill, and we are not going to dare or have the courage to do one blessed thing for the people of the country simply because of the fact—and we might as well be frank about it—that a little handful of international bankers who control the finances of the country are saying we must not do it. So far as I am concerned, I want to declare myself here and now that unless some sort of legislation is passed, I am willing to stand here on the floor of the Senate and help to prevent all legislation from passing until such time as we do give the people of the country some relief.

Mr. LONG. I think the Senator has certainly struck a very interesting note, to say the least. I do not see why we should be talking about taking money out of the pockets of the people and closing up their little banks or changing them into big chain systems at a time when we ought to be giving substantial relief. We are not doing a thing—I agree



with the Senator. We have been here debating over various little old bills until we get to some gigantic scheme to take away what few rights the people have left and to take a little more money from them. We are not doing anything for the people.

I want to say, as the Prime Minister of Russia said, "You can laugh if you will, but the fleet of the enemy is coming up the Baltic." Senators may laugh and sneer around here in the cloakrooms and in the corridors and want to know where we are going, and try to put some of this fictitious legislation through to satisfy the financial powers; but unless we get down and feed these people and clothe these people and offer something of that kind to the people, we are not going to be able to save the situation. It is time we are doing something here. I am going to follow the Senator from Oklahoma myself in this matter.

There is another reason why certain big financial people do not want silver and do not want inflation of currency either. They are contracting it all along. They have not sense enough to know that we can not take any more blood and marrow and muscle out of the people of the country. They have spurred the old horse until spurring will not do any more good. The people could jump when we spurred them the first time; the people could jump when we spurred them the hundredth time; but there is nothing left to yield to the spur now unless we give them some chance here in this country. I am ready at any time, with anybody anywhere who asks me, to assist in passing some legislation that puts the money into the pockets of the people. I will be with them right at the jump, right now or any other time. I am in most respects like the Senator from Montana [Mr. WHEELER] said he is—I am strictly opposed to allowing anyone to slip through these nefarious financial schemes to put their own house in order out of the marrow and bone and muscle of the people of the country.

I sometimes become greatly disgusted. Here we have been in this session of Congress and we have been messing around taking advice from these financial masters, asking them to tell us something. Here we have been in this session of Congress—how long have we been here this time? I have forgotten myself, and could not tell unless I got my hotel bill. [Laughter.] Forty days we have been here and there is no helpful proposition before us. We are not even fiddling. The house is burning down and we are not even fiddling. What are we trying to do here? Somebody somewhere got it into his head that the people will just have to stand for anything. They have stood everything they could. They can not go through with more of it. The pitiful thing is that under these conditions I have stood here on the floor of the Senate and exposed the most gigantic fraud from undeniable proof and public records, and yet we are trying to give these racketeers a better hold on the throats and the lives and fortunes of the people—if they have anything at all left.

Somebody wants a night session. We ought to stay here all night. We ought to come back and stay every night. If some of us would die, it might help things. I hope no one dies. I pray for the health and well-being of us all, though I do not know but what the people would be better off if they sent somebody else here in the place of some of us. I think we will be better off when March 4 comes; at least I hope so. But, Mr. President, I want to tell you that the Democrats have made a whole lot of promises to the American people. Do not forget that. We have been elected on promises, and a whole lot of them. The Senator from Montana [Mr. WHEELER] helped to make them and I helped to make them. We helped to make a lot of them. We promised a job for every man in the country, and we are not the only ones who did it. We promised money for the people to spend. We said there would not be a hungry man in this land of plenty. We said we were going to give everybody clothes.

We Democrats have made a whole lot of promises. We can fulfill them if we do what we ought to do. I am going to tell you that we can not whine around here with this

kind of nefarious propaganda to take the marrow and bone and fiber of the people when they have not any left. I was one of the men who went to the Chicago convention and tried to get the party to nominate a man who would espouse the liberal thought and ideas of government in this country.

I am one of the men who is going to back him up and help him carry it out, too. But it was in the face of his declaration to the New York Legislature that he was opposed to branch banking that this bill has been introduced one day and brought back the same day and put on the calendar to be passed in a hurry.

Mr. President, I have reduced to writing a small part of my speech. [Laughter.]

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. Let me say to the Senator that I understand there is talk of adopting cloture to stop debate on the bill. Of course we appreciate the fact that cloture can be put on, but I want to say that if they put cloture on this bill they had better put cloture on all the rest of the session, because they will have to put it on every other bill that comes up.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. Certainly.

Mr. THOMAS of Oklahoma. I think it will be entirely appropriate for the bill to be considered in the nighttime. I would like to suggest to the Senator that about a year ago, when the international bankers and others desired to have a moratorium, they kept the Senate in session into the nighttime to pass that bill.

Mr. LONG. That is customary with them.

Mr. THOMAS of Oklahoma. At a later date, when they desired to have a dole—that is, big business, the banks, the railroads, the life-insurance companies—when they desired an opportunity to go to the Reconstruction Finance Corporation, to enable them to get a mortgage on the property of the Nation and take that money and loan it to big business, we kept the Senate in session into the nighttime to pass the bill at 11 o'clock at night.

Let me say to the Senator that I welcome a night session. At least the country will know that the Senate is in session.

Mr. LONG. For the usual purpose, to help the financiers. We do not hold night sessions except to help the financial masters.

Mr. THOMAS of Oklahoma. Let me suggest further to the Senator from Louisiana—

The VICE PRESIDENT. Does the Senator from Louisiana yield further to the Senator from Oklahoma?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. I want to assure him and the Senate that, so far as I am concerned, I am in no way participating in any delay save to force the country to understand that the Senate of the United States is sitting here hour by hour, day by day, week by week, month by month, proposing to do absolutely nothing. If I can join the Senator from Louisiana in a humble way to bring this situation to the attention of the country in the hope that we may in some way get the leaders of this body, if there be leaders, to recognize that this class of legislation is of utterly no benefit to those now in dire distress, we will have done a good work.

Mr. LONG. I thank the Senator and I want to say, Mr. President, that it is in keeping with precedent if we meet here at night for the purpose of helping financiers; but I think we have never met at night in order to consider legislation designed to feed the people. If the financiers want the Glass bill, then to meet at nighttime is in keeping with the practice we have followed when the money masters demand anything, and, of course, it is in keeping with precedent. However, I should be willing to vary the rule; I should

be willing to meet at nighttime in order to consider legislation having for its object feeding the people, who, with too much to eat, are starving to death because they have got twice too much; who, with too much to wear, are naked because they have too much to wear; and who, with too many homes, have no place to sleep at night because we have too many houses to put them in. There is no thought of meeting at nighttime in their behalf; and there is not a bill before the Congress to-day to do anything on the living earth about that situation, nor are any of these financial masters saying anything about that.

Talk about cloture! It takes two-thirds to get cloture. I think I have discussed this bill coherently during the time I have occupied the floor, as much so as was within my capacity to do. Talking about nighttime sessions for considering financial legislation makes me think of a little line I have been trying to call to my mind.

Oh, conspiracy! shamest thou by night to show thy countenance, How, then, by day canst thou find a cavern deep enough to hide thy monstrous visage?

Afraid to show by night even, how by day can we hide the fact that we are here with a bill about which Senators know nothing, proposing to take money out of the Treasury, proposing to take the banks away from the people and putting them under a chain, proposing to take out the excise tax that goes to the people, doing everything under the living sun except to go in the right direction? We who oppose the measure are here battling to give the people a chance.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. The Senator is mistaken about putting any banks out of existence. All that is proposed to be put out of existence are a lot of "pawnshops."

Mr. LONG. Oh, yes; that is right. I accept that amendment. It is proposed to put a lot of "pawnshops" out of business.

Mr. WHEELER. Every independent banker in this country—

The VICE PRESIDENT. If the Senator desires to interrupt, he must get permission through the Chair.

Mr. WHEELER. I beg pardon.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. Every independent banker in this country to-day may look upon himself as a pawnbroker; may look upon himself as just a selfish individual who is seeking to put a tariff wall around his community so that he may have the benefit of loaning all the money and controlling all the credit that shall be available in that particular community.

Of course, Mr. President, the big financial institutions that stretch from one end of the country to the other and control banks in every community are not seeking any tariff wall around the United States. I submit that instead of the small banks of this country, the "pawnshops" as the Senator from Virginia classifies them, seeking a tariff wall and wanting to control all the credit, the financial masters in New York, under the provisions of this bill, are seeking to control the credit of the entire United States.

When the McFadden bill was before this body and it was sought to bring about branch banking in the cities, I said then it was the first step that the big financial institutions were taking. Then it was said, Mr. President, that was only for the purpose of competing with State banks which have branches. I said then that they would be back here again in another Congress seeking to extend it to States, and then when they got that they would be back here trying to extend it from one end of the country to the other. Now they are taking the second step. They are seeking to extend branch banking not only within the State but within a radius of 50 miles the other side of the State line; and when they get that, in less than two or three years' time, they will be back here seeking a branch banking system extending from New York to Seattle.

Mr. LONG. This bill will do that, as I can show the Senator. They will not need any other law; they will be able to do that under this bill without going half as far as they have gone under the present law.

We are here trying to keep you from closing the door on the people before it is eternally too late. If we let this bill go through, we will be a million miles farther from giving the people relief than we are now. If we let this bill pass, we will have to undo this scheme before we can give relief at all, and we will not be able to do it. We have got to stand here and keep this thing from going through a "lame duck" Congress. "Lame duck," I said—the last one. Nothing but this bill must go through! The master's voice has come, if we are willing to consider it the master's voice. This has got to go through—this nefarious, obnoxious branch banking measure—and the little banks in the country or the "pawnshops" have got to be put out of existence. "Pawnbrokers" they are called here by the sponsors of this bill; the little "pawnbrokers," as they have been called, that have loaned men who are sitting here perhaps the first dollar they ever had with which to go to school. The little bank at the fork of the creek loaned your father a hundred dollars or two hundred dollars, or perhaps loaned it to you so that you could go off, it may be, and study law. We boys that come from the forks of the creek know of these "pawnshops" that have got to be put out of business under the provisions of this nefarious bill, according to its sponsors. We are getting farther away every day from the right direction.

Mr. President, I can not understand for the life of me how anybody can stand on this floor and advocate this thing without hiding his face.

Mr. President, I now have before me a document showing this bill in such form as it is possible to understand what it is. I want the Senator from Virginia to know what I am about to ask, because I would not want him to think I was asking for something to be done to which he might object without calling his attention to it. I have here in type the pending bill showing underscored in black the old act and underscored in red the new matter proposed to be inserted; and then typed in red that part of the old act which has been deleted. It has been prepared at considerable labor of myself and my staff and some friends. It has been a very hard thing to work out; it has been very, very hard and tedious work; we have had to search all the statutes bringing the act down to date; and I have prepared a draft here so that the Senate may understand what is proposed to be done by the Glass bill that is now before us. I want to have this matter I have prepared printed so as to show just what changes it is proposed to make, what is being added to the law and what is being taken away from it.

Mr. President, you will find sections that have been taken out and sections put in their places that are not germane to one another at all; for instance, the bill may say, "Section 29 is amended so as to read as follows," and section 29 might be dealing with the North Star while the amendment that it is sought to put in might be dealing with a leather-lined saddle, and there is no comparison between them.

I desire to ask consent to have this draft sent to the printer and that the printer may be instructed to print it in such form as will show the old matter that is proposed to be retained, the old matter that is proposed to be deleted, and the new matter that is proposed to be inserted in the law by this bill.

I have not seen a Member of the Senate in my private conferences this morning who knew very much about the changes that were really sought to be made. I have talked to some of the learned Senators. I am sorry the Senator from South Dakota [Mr. NORBECK] is not here. I repeat, however, I want to ask unanimous consent to have this matter printed and furnished to the Senate so that each Member of the Senate may tell what it is proposed to do by the pending bill.

The VICE PRESIDENT. Is there objection?

Mr. GLASS. Mr. President, reserving the right to object, I desire to say that I have no objection whatsoever to hav-



ing it printed in the RECORD so that it may be immediately available to the Senate to-morrow morning.

Mr. LONG. Very well.

Mr. GLASS. The committee has no desire of any concealment at all. The whole measure was explained on the 10th of May last in detail, but if the Senator thinks that he has some matter there that will enlighten the Senate more than his elaborate speech has done, I have no objection to its being inserted in the RECORD.

The VICE PRESIDENT. Is there objection to the matter being printed in the RECORD?

Mr. LONG. Mr. President, would not the permission have to be accompanied by an order of the Senate that it should be printed so as to show one portion in italics, another in caps, and the other part in ordinary type so as to differentiate?

The VICE PRESIDENT. The Senator can include that in his request.

Mr. LONG. I wish to include that. I will ask that it may be printed in the RECORD as it is marked in such a way as to show in ordinary type that portion which is now the law.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. BINGHAM. May I remind the Senator that the RECORD is printed under statute law, which can not be changed by unanimous consent of the Senate; but he can secure what he desires by asking that a special copy of the bill may be printed in the manner which he suggests.

Mr. LONG. That was the request I originally made but the Senator from Virginia suggested the amendment in regard to the printing of the RECORD. Inasmuch, however, as the Senator from Connecticut calls my attention to it, I think he is correct, and that will have to be printed as a separate document.

Mr. GLASS. I have no objection whatsoever to it being printed in any form that the Senator may desire.

Mr. LONG. Then I ask that the document I now present may be printed showing the present law in ordinary type, that the new matter which is proposed to be inserted in the law may be printed in capitals, and that there may be printed in italics that which is proposed to be deleted from the present law.

The VICE PRESIDENT. Is there objection to the request that the document presented by the Senator from Louisiana may be printed as a separate bill—

Mr. LONG. Yes; as a bill.

The VICE PRESIDENT. In the manner suggested by him?

Mr. GLASS. Mr. President, I have all that here on my desk, and I am very sorry the Senator from Louisiana put his entire staff to such a tremendous task, because the drafting bureau of the Senate could have done the work for him in an hour or so.

The VICE PRESIDENT. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and the document will be printed as a bill in accordance with the request of the Senator from Louisiana.

Mr. LONG. Mr. President, I thank the Senator from Virginia for his suggestion. I am learning something every day. I did not know we had such a service as he mentions. It was a very difficult thing, however, for me to get it up. I kept finding so much in this bill, so many surprising things, that I had to make up for myself a bill showing the changes as made. That is the only way I could tell anything about it.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. Yes.

Mr. WHEELER. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. LONG. Yes, sir.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst  
Austin  
Bailey  
Bankhead  
Barbour  
Barkley  
Bingham  
Black  
Blaine  
Borah  
Bratton  
Broussard  
Bulkley  
Bulow  
Byrnes  
Capper  
Caraway  
Carey  
Connally  
Coolidge  
Copeland  
Coutigan  
Couzens

Cutting  
Dale  
Davis  
Dickinson  
Dill  
Fess  
Fletcher  
Frazier  
George  
Glass  
Glenn  
Goldsborough  
Gore  
Grammer  
Hale  
Harrison  
Hastings  
Hatfield  
Hayden  
Hebert  
Howell  
Hull  
Johnson

Kendrick  
Keyes  
King  
La Follette  
Logan  
Long  
McGill  
McKellar  
McNary  
Metcalf  
Moses  
Neely  
Norbeck  
Norris  
Nye  
Oddie  
Patterson  
Pittman  
Reynolds  
Robinson, Ark.  
Robinson, Ind.  
Russell  
Schall

Schuyler  
Sheppard  
Shortridge  
Smith  
Smoot  
Steiner  
Swanson  
Thomas, Idaho  
Thomas, Okla.  
Townsend  
Trammell  
Tydings  
Vandenberg  
Wagner  
Walcott  
Walsh, Mass.  
Walsh, Mont.  
Watson  
Wheeler  
White

Mr. LA FOLLETTE. I have been requested to announce that the senior Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably absent. I ask that that announcement may stand for the day.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present. The Senator from Louisiana.

#### FIRST DEFICIENCY APPROPRIATIONS

Mr. LONG. Mr. President, I wish to have it understood that we are in no way preventing the consideration of the deficiency appropriation bill in the charge of the Senator from Maine [Mr. HALE]. We are ready—I am ready—at any time to yield to a request that that bill may be taken up whenever Senators wish. I desire the Senate to understand that I have previously notified the Senators who are handling the deficiency appropriation bill of that fact.

No one is holding up the consideration of the District of Columbia relief money. I want that understood. At any time that any Senator wishes to take up that bill, as I have constantly told the Senator from Oregon [Mr. McNARY] and the Senator from Maine [Mr. HALE], we are ready for that bill to be taken up. I have noticed in the public press around here statements that there are only a certain number of hours left in which Congress can act for relief in the District of Columbia, and I want it well known that I shall be glad in any way to facilitate action by Congress at any time I am so requested.

Mr. BINGHAM. Mr. President, I had understood that it was the Senator from Louisiana who demanded the regular order when we had the deficiency bill up.

Mr. LONG. No; that is not exactly correct. Senators were trying to perfect an amendment in order to get together. We consumed about half an hour or more in that way, and I suggested that they perfect the amendment and that we carry on the regular order until they could bring back the amendment; so they went out to get up the amendment, and I have not seen them since. [Laughter in the galleries.]

Mr. BINGHAM. Mr. President, will the Senator yield to me while I ask a question of the chairman of the committee?

Mr. LONG. I yield for a question.

Mr. BINGHAM. I ask the chairman of the committee in charge of the bill, in view of the situation in the District of Columbia, if he will not ask unanimous consent to lay aside the pending measure and take up the deficiency bill.

Mr. HALE. I am perfectly willing to do so, if we can make any progress on the bill, Mr. President.

Mr. LONG. All right; I am willing, so far as I am concerned.

Mr. McKELLAR. Mr. President, we might as well be perfectly plain about it. I have offered an amendment which I think the majority of the Senate desire to enact. If the Senators in charge of the bill are willing for me to have a vote on that amendment in response to the request for unanimous consent which I made yesterday, I am perfectly willing to do it; otherwise, I shall object.

Mr. HALE. Mr. President, I announced yesterday that I was perfectly willing to accede to the request of the Sen-

ator for unanimous consent so that he could get a vote on his amendment; but I understand that there are other Senators who are not willing.

Mr. McKELLAR. If we undertake it, I am perfectly willing to ask for unanimous consent for a vote on that amendment without moving to suspend the rules; and, if that consent is granted, I am perfectly willing to go on with it otherwise I am not.

Mr. HALE. I do not think we can tell until we try, Mr. President.

Mr. McKELLAR. Very well. I am glad to try, because I have no desire to interpose any delay.

Mr. HALE. Very well, Mr. President. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of the deficiency bill.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Is there objection?

Mr. GLASS. What is the request?

Mr. HALE. That the unfinished business be temporarily laid aside, and that the Senate resume the consideration of the deficiency bill.

The PRESIDING OFFICER. The Chair hears no objection. The unfinished business is temporarily laid aside, and the Senate will resume the consideration of the deficiency bill.

The Senate resumed the consideration of the bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER. All the reported amendments have been agreed to. The pending amendment is that offered by the Senator from Tennessee [Mr. McKELLAR], which will be stated.

The CHIEF CLERK. On page 13, line 3, after the word "each," it is proposed to insert:

*Provided, That no refund or credit of any income or profits, estate, or gift tax in excess of \$5,000 shall be made after the enactment of this act until a report thereof giving the name of the person, corporation, or partnership to whom the refund or credit is to be made, the amount of such refund or credit, and all the facts and papers in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue Taxation and action thereon taken by said committee. The said committee or its duly authorized staff shall have full access to all the papers and shall examine into and pass upon the case de novo, and no refund or credit shall be made until the Joint Committee on Internal Revenue Taxation or its duly authorized staff shall have so passed on such refund, fixed the amount thereof, and made its report to the Commissioner of Internal Revenue, and no refund shall be made without the approval of said committee or its duly authorized staff.*

Mr. McKELLAR. Mr. President, I shall ask in a few moments unanimous consent that the rules be suspended and this amendment voted upon as any other is voted upon. Before doing that, however, I want to explain again why I am asking for this unanimous consent and why I think this amendment should be unanimously agreed to.

The first thing I want to do is to read Decision No. 4204, as given out a few days ago:

#### DECISION NO. 4204

TREASURY DEPARTMENT, BUREAU OF INTERNAL REVENUE,  
New York, N. Y., December 14, 1932.

In re: Estate of Ogden Mills, Ogden Livingston Mills et al., executors.

An overassessment of estate tax in favor of the above-named taxpayer is determined in the amount of \$5,915,295.22.

Of the overassessment the amount of \$5,691,803.17 is caused by the allowance of a credit under the provisions of section 301 (b), revenue act of 1926, representing the amount of State inheritance taxes paid subsequent to the filing of the Federal estate-tax return. (Art. 9 (a), regulations 70.)

The elimination of the value of certain property included in the gross estate in the return filed causes \$199,909.49 of the overassessment. After investigation, it is determined that the transfer of such property by the decedent during his lifetime was not made in contemplation of nor intended to take effect in possession or enjoyment at or after his death within the meaning of section 302 (c), revenue act of 1926, and the regulations promulgated thereunder. (Heiner v. Donnan et al. (52 Sup. Ct. 358).)

The balance of the overassessment, amounting to \$23,582.56, results from reductions in the values of certain assets included in the gross estate. Investigation discloses that the valuations of these assets were overstated in the return filed. (Sec. 302 (a), revenue act of 1926; art. 13 (3), regulations 70.)

DAVID BURNET, Commissioner.

Abatement, \$5,869,951.90.

Refund, \$45,343.32.

Mr. President, this may be entirely all right; I do not know. Nobody knows. It was investigated by officials under Mr. Mills, the Secretary of the Treasury, and the result of this proceeding is that the Secretary of the Treasury is passing upon his own claim. It is contrary to every proper idea of government in this country.

Mr. HALE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HALE. The Senator does not mean that the Secretary of the Treasury passed on this matter himself, because he had nothing to do with it. The Commissioner of Internal Revenue acts on these matters.

Mr. McKELLAR. The commissioner is appointed by the Secretary of the Treasury.

Mr. HALE. That is true.

Mr. McKELLAR. Every official in the department who passes upon this thing is under the Secretary of the Treasury, and, of course, whatever he does by another he does by himself under well-known principles of law.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. NORRIS. My attention was diverted a moment ago and I am not sure what the Senator read. Was it a news item appearing in the Washington News?

Mr. McKELLAR. No; I read from a report furnished under an act of Congress which I had passed some years ago, which the Senator will recall.

Mr. NORRIS. Will the Senator permit me to read this news item, which refers to the same letter?

Mr. McKELLAR. I am perfectly willing to have the Senator do that.

Mr. NORRIS. This is from the Washington News of January 5, this month. The article is as follows:

MILLS'S ESTATE GETS \$5,912,000 IN TAX REFUND, ABATEMENTS  
SECRETARY MILLS LISTED AS EXECUTOR OF FATHER'S HOLDINGS; STATE TAX WAS OVERASSESSED

The Bureau of Internal Revenue to-day announced abatement of \$5,869,951 and a refund of \$45,343 to the estate of Ogden Mills, father of Secretary Mills.

The adjustments on the estate were allowed on overassessments of a State tax.

The elimination of the value of certain property included in the gross estate in the return filed resulted in an overassessment of \$199,909, the bureau said.

Other deductions and allowances resulted from reductions in the values of certain assets included in the gross estate. Investigations showed that the valuations of these assets were overstated in the return filed, the bureau said.

This is the particular paragraph to which I want to call the Senator's attention:

Investigation determined that the transfer of property included in the gross estate by the elder Mills during his lifetime was not made "in contemplation of nor intended to take effect in possession or enjoyment at or after his death," it was said.

Secretary Mills was listed as the executor of the estate.

There may be absolutely nothing wrong in this transaction; I am not charging that there is, by any means.

Mr. McKELLAR. Nor am I.

Mr. NORRIS. But, in answer to a question asked him, the Senator was speaking of the appointees of Secretary Mills passing on this particular claim.

Mr. McKELLAR. Yes.

Mr. NORRIS. If it is true, as this article states, that Secretary Mills is the executor of his father's estate, then he must, it seems to me, have made application himself, as such executor, and if he is one of the heirs, as I presume he is, having a personal interest in the outcome, he must himself as executor have made the application for a refund or for an abatement.

Mr. McKELLAR. To himself, as Secretary of the Treasury.



Mr. NORRIS. Yes. The question then is passed upon by some one under him in his department.

Mr. McKELLAR. Of course.

Mr. NORRIS. Whether that is right or wrong, whether it is just or unjust, every civilized man knows that in our system of jurisprudence, no matter what confidence one may have in the interest of a judge or a jury, he is precluded from directly or indirectly passing upon something in which he has a personal interest.

Mr. McKELLAR. I go one step farther. I say this, that no good Secretary of the Treasury ought to want to have the power to pass upon his own affairs, and no bad Secretary ought to be given the power by the Congress.

Mr. NORRIS. Of course. Assuming, for the sake of the argument, that there is nothing wrong in this case, nevertheless the procedure is wrong; and if the law permits it, it ought to be changed.

Mr. McKELLAR. The law should be changed.

Mr. NORRIS. Because if there is a law that permits such a procedure, the end will certainly be corruption. It can not lead anywhere else.

Mr. McKELLAR. I thank the Senator. I think the Senator is entirely correct.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Tennessee permit me to propound an inquiry to the Senator from Nebraska?

Mr. McKELLAR. I yield for that purpose.

Mr. WALSH of Massachusetts. I understand the procedure in the assessment of an estate tax to be for the executor to furnish the Treasury Department with full information, which they require in order to determine the tax due, upon blanks properly prepared for that purpose; that when the executor furnishes the information which is the basis of fixing the tax, the Income Tax Bureau itself levies the tax, and then the tax is paid by the executor.

In view of the large amount involved in this case, there must have been a grave and gross mistake made by somebody. It would seem to me that a rebate of these proportions would indicate that the taxpayer was indifferent to his rights or some officials of the Government were tremendously negligent or ignorant of their duties in originally levying a tax which required a rebate of this magnitude.

Mr. NORRIS. If the Senator from Tennessee will permit me to go just a little farther—

Mr. McKELLAR. I yield.

Mr. NORRIS. The interruption of the Senator from Massachusetts has reminded me of another fact. It will be noticed that in this news item there are several items which, put together, constitute a sum which in the aggregate amounts to \$5,869,951. Part of it came about, this item says, because of an overassessment of estate tax. Part of it came about from the elimination of the value of certain property. Another part came about, evidently, from some gift or transfer of property which was made before the decedent died, and I presume a tax was levied upon it on the theory that the gift or transfer was made or given in contemplation of death. These officials who have passed on the matter have held that it was not made in contemplation of death, and so they allowed a rebate. How much that all amounts to I do not know.

Mr. WALSH of Massachusetts. They originally ruled it was in contemplation of death.

Mr. NORRIS. Yes.

Mr. WALSH of Massachusetts. And thereafter changed their minds.

Mr. NORRIS. After Secretary Mills, as executor of the estate, had made an application for refund.

Mr. McKELLAR. Had made a claim for refund.

Mr. NORRIS. Yes.

Mr. McKELLAR. The record is perfectly plain. The decision is titled "In the matter of the estate of Ogden Mills, Ogden Livingston Mills et al., executors." In other words, Secretary Mills and others, as executors of the Secretary's father's estate, make application to Secretary Mills for this refund.

I direct the Senator's attention to another fact stated in the decision:

Investigation discloses that the valuations of these assets were overstated in the return filed.

One of the executors who filed the return was the present Secretary of the Treasury. He filed a return under the law. It was filed with himself, and he valued the assets, and one of the reasons given for making this refund is that the Secretary himself, as an executor, overvalued certain of the securities.

Mr. NORRIS. In other words, the Secretary of the Treasury, if these circumstances are correct, is applying for a refund, a part of which is based upon the fact that he himself in making the return as to the valuation put the valuation too high.

Mr. McKELLAR. Yes; that is one of the grounds given.

Mr. NORRIS. So Mr. Mills as an individual appraised certain property too high, and Mr. Mills, as Secretary of the Treasury, through his appointees, says it ought not to have been so high.

Mr. McKELLAR. I do not know the facts except as shown here. Here is a holding by Mr. Mills's appointee, his agent, exactly the same in law as if it were Mr. Mills himself. He holds that the conveyance of certain property was not made in contemplation of death. Of course, the only way that question could arise would be that the properties were conveyed within a period of two years before the elder Mills died. The executor, as Secretary of the Treasury, is passing upon the fact of whether or not it was made in contemplation of death. He is the executor and he is Secretary of the Treasury. He makes the return and he then asks himself to change the return. I am not saying there is anything wrong about the matter. I do not know. We have not got the facts. The Congress is not given the facts upon which the decision was based. The only thing I say is that the system is wrong. Mr. Mills ought not to have to present this matter to some one who is appointed by him. If the amendment I ask is adopted, there will be an independent officer of the Government, not appointed by Mr. Mills, but appointed by this body and the House, to investigate such matters, and that independent and impartial person will pass upon such questions.

I know the Senator from Maine [Mr. HALE] does not believe that taxes ought to be assessed and collected in any such way as that.

Mr. HALE. Mr. President, the Senator states we have not the facts in the matter. A few days ago I read in the papers that a refund had been granted to Secretary Mills. Foreseeing that some question might arise on the floor of the Senate, I asked the department for an explanation, and I have here a letter, sent to me by Assistant Secretary of the Treasury James H. Douglas, inclosing a memorandum from the commissioner signed by Adelbert Christy, acting deputy commissioner, and I will ask that the clerk may read it.

Mr. McKELLAR. I will yield for that purpose, if I may.

Mr. WALSH of Massachusetts. I think the letter ought to be read.

Mr. NORRIS. Of course it ought to be read.

Mr. McKELLAR. Let the clerk read it. If there is any doubt about it, I will read it myself.

The PRESIDING OFFICER. The clerk will read, as requested.

The legislative clerk read as follows:

TREASURY DEPARTMENT.

Washington, January 6, 1933.

MT-DC-AC. ET-4166-14th New York. Estate of Ogden Mills.

Date of death, January 29, 1929.

Memorandum for the commissioner:

There was issued in this case a certificate of overassessment in the amount of \$5,918,295.22. Of this amount the sum of \$45,343.32 was refunded. Of the overassessment \$5,691,803.17 resulted from the allowance of a credit pursuant to the provisions of section 301 (b) of the revenue act of 1926 for the amount of State inheritance taxes paid subsequent to the filing of the Federal estate tax return. The return filed showed a total tax liability of \$7,397,424.88. This amount, of course, was subject to a credit for taxes paid to the States to the extent of 80 per cent of the amount. The bureau, however, assessed the total amount. Ac-

cordingly, the overassessment in the amount of \$5,691,803.17 represents the total amount paid to various States for which the law gave them a credit against the Federal tax. There was included in the return transfers made within two years of the decedent's death in the amount of \$1,312,690.09. Under the law as construed at the time of the filing of the return the amount of these transfers was required to be included. The Supreme Court, however, in the case of *Heiner v. Donnan* (52 S. Ct. 358), held the conclusive presumption of the law unconstitutional. Upon investigation it was ascertained that the entire amount of these transfers, with the exception of \$206,702.15, was not actually made in contemplation of death, and under the law could not be included. The elimination of these transfers counts for \$199,909.49 of the overassessment. The balance of the overassessment, amounting to \$23,582.56, resulted from reduction in the value of certain assets included in the estate, investigation having disclosed that the valuation of these assets was overstated in the return filed.

ADELBERT CHRISTY,  
Acting Deputy Commissioner.

Mr. McKELLAR. That is about the same thing that we have here, if I was able to understand the reading. There is one explanation. It is substantially what the commissioner held.

Leaving that matter for the moment, unless some one wants to ask about it—

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. Certainly.

Mr. BLACK. Does not the executor have the right to appeal to the Secretary of the Treasury under the law?

Mr. McKELLAR. Under the law the way it is done is that Mr. Mills as executor files a petition to Mr. Mills as Secretary of the Treasury for a refund, and three young men down in the department somewhere are appointed on a committee to determine whether he is entitled to that refund. They make their report. As I explained here a day or two ago, that report goes on up until it gets to the Secretary of the Treasury, but none of the officials of the Treasury have examined into it, so they testify.

Mr. BLACK. Is it or is it not a fact that the reports on these refunds are finally considered and approved, and they must be approved by the Secretary of the Treasury, either in actuality or technically?

Mr. McKELLAR. Yes.

Mr. BLACK. So that in this case first of all there is the fact that it is approved and recommended for payment, showing that it must be approved by the Secretary of the Treasury.

Mr. McKELLAR. Oh, indeed.

Mr. BLACK. Is there any other way it could get here?

Mr. McKELLAR. No; there is no way it could get here, and there is no other way that the money could get out of the Treasury.

Now I am going to ask unanimous consent—

Mr. NORRIS. Mr. President, before the Senator leaves that, may I ask him a question?

Mr. McKELLAR. Certainly.

Mr. NORRIS. I am referring to the memorandum which the Senator from Maine [Mr. HALE] had the clerk read. The first part of it would seem to be in explanation of part of it. There is a part of it as to which there is no explanation, and I would like to call attention to that. Before I do that I want to call attention to the fact that the memorandum is signed by the acting deputy commissioner, one of the underofficials of the department.

Mr. McKELLAR. It is just a matter of curiosity on my part to want to know the reason why the commissioner himself did not sign it.

Mr. NORRIS. I suppose just to get it one step farther away from the Secretary. I want to read from the letter:

There was included, in the return, transfers made within two years of the decedent's death in the amount of \$1,312,690.09. Under the law as construed at the time of the filing of the return the amount of these transfers was required to be included. The Supreme Court, however, in the case of *Heiner v. Donnan* (52 S. Ct. 358), held the conclusive presumption of the law unconstitutional.

So that we may understand that, as I take it, the law provided that a transfer made within two years of death

should be conclusively taken as having been made in contemplation of death. The Supreme Court held that Congress had no right to make that conclusive, but that it would be subject to proof and investigation; and that is the law he cites here.

Mr. McKELLAR. Ah, but if I recall the letter correctly, he in no place says that when they examined into the facts they found that the evidence showed that the transfer was not made in contemplation of death.

Mr. NORRIS. I am going to read what he said, continuing where I left off:

Upon investigation it was ascertained that the entire amount of these transfers, with the exception of \$206,702.15, was not actually made in contemplation of death.

Mr. McKELLAR. "Was not actually made."

Mr. NORRIS. But he says "upon investigation." Who made the investigation? What authority did they have to make it?

Mr. McKELLAR. That is what I am trying to find out.

Mr. NORRIS. I take it the department made the investigation, but we have not the findings. We probably do know that it was an investigation made by parties who are not disinterested. It was made by the department, the head of which had a direct interest and who made the application for the review. Unless we can have explained to us what the facts and the circumstances were about these transfers, so that we might pass on the reasonableness of the conclusion as to whether they were made in contemplation of death, we are not able to act intelligently.

Mr. McKELLAR. Of course, and no one will ever know, because we allow the law to remain as it is, which allows the Secretary of the Treasury as Secretary of the Treasury to pass upon his claim as executor of the estate.

Mr. NORRIS. Let me suppose a case. A man of considerable wealth makes certain transfers. Within two years of the time he makes them he dies. The tax assessor says that under the law he must assess that property, but the administrative officials say the Supreme Court has held that it is subject to proof and that it is not a conclusive presumption. The appointees of the man who made the application for a reduction, the man who is heir to the estate and has a personal financial interest in it, investigate and say the decedent was not thinking about death when he made the transfers. We do not know whether they are right or wrong.

Mr. McKELLAR. The Senator is right in his statement. Nobody can tell until we have established an independent tribunal or official who will pass upon the question from an impartial standpoint, not one appointed by the Treasury, not an underofficial of the Secretary of the Treasury, not somebody whose head can be taken off. We know nothing about the facts. It reminds me of the old play *Mikado*, where they have a Poobah, who acted in two capacities. My recollection is, though it has been a long time ago that I saw the play, that the one man acted in one capacity and then in another. Here we have the Secretary of the Treasury passing upon his own claim.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I want to inquire whether the record shows the application for review was made while the applicant was Secretary of the Treasury or was it made before he took that office—not that it necessarily makes any difference, but it might have some bearing upon the obligation of those who made the investigation.

Mr. McKELLAR. That might be so. I do not know whether it was made before or after he became Secretary of the Treasury. He was First Assistant Secretary of the Treasury or Under Secretary of the Treasury, and still in a position to have the Treasury Department pass upon his own claim.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Utah?



Mr. McKELLAR. Certainly.

Mr. SMOOT. Do I understand the Senator to object to the part of the law in relation to presumption of death within two years?

Mr. McKELLAR. Not at all.

Mr. SMOOT. Then, why does the Senator say that the transfer was made knowing that he was going to die two years before his death?

Mr. McKELLAR. I never said any such thing at all. I said it was the result of the provision of the law that holds the presumption against a man who makes a transfer within two years of his death.

Mr. SMOOT. And death occurred during that time. So why should the Senator bring the question up here as to the presumption of death within two years?

Mr. McKELLAR. The Senator wholly misunderstands the proposition.

Mr. SMOOT. The Senator does not know whether there was any contemplation on the part of the individual that he was going to die within the two years.

Mr. McKELLAR. I do not know anything about it.

Mr. SMOOT. Then why bring up the question?

Mr. McKELLAR. For this reason: He is the Secretary of the Treasury, passing upon his own claim and saying that the transfer was not made in contemplation of death.

Mr. SMOOT. It was not the Secretary of the Treasury that passed upon it; it was the bureau having in charge the investigation of such cases that passed upon it, after considering the question in all its phases.

Mr. McKELLAR. He had his agents pass upon it, and whatever his agent does he does.

Mr. SMOOT. I do not think he would for one moment say that his father contemplated death when he made the transfer.

Mr. McKELLAR. Of course not. I do not mean to say that he did; I do not know anything about it.

Mr. NORRIS. Mr. President, it seems to me that the Senator from Utah is unusually anxious to prevent the facts from being known.

Mr. SMOOT. Not at all.

Mr. NORRIS. The truth is that those of us who object to that explanation are asking for the truth and the facts, and the Senator says, "Why investigate that? His department has investigated it." But the head of the department is the interested party in the transaction.

Mr. SMOOT. And so the Senator—

Mr. NORRIS. We want somebody to investigate it who is not interested in the result.

Mr. SMOOT. Mr. President, it was investigated not by the Secretary of the Treasury at all; it may never have reached him.

Mr. NORRIS. The Senator does not realize that the Secretary of the Treasury himself, as executor of his father's estate, made the application that brought about the refund, and when the Senator says it was not in his department, he is entirely wrong; it was all done in the Department of the Treasury.

Mr. McKELLAR. Absolutely.

Mr. NORRIS. No investigation was made by anybody else, so far as we have any evidence.

The PRESIDING OFFICER. Does the Senator from Tennessee yield for a speech? If so, he will lose the floor.

Mr. McKELLAR. If the Senator wants to ask a question, I will be glad to yield further. I wish, however, to call attention to what we are up against in this matter, if I may be allowed to express myself in a slangy way. Here we are asked to appropriate \$28,000,000 as an emergency or deficiency appropriation—incidentally, out of an empty Treasury, but that is not the point—we are asked to appropriate \$28,000,000, and nearly \$6,000,000 of it is to go to the Secretary of the Treasury on a claim of the kind indicated.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana for a question?

Mr. McKELLAR. I yield for a question.

Mr. LONG. It appears to me that the Senator is trying to have an amendment put on the bill by unanimous consent.

Mr. McKELLAR. Yes; and I do not think any Senator ought to object.

Mr. LONG. I hope the consent will be granted.

Mr. McKELLAR. I hope so.

Mr. LONG. But if it is not, I should like to suggest that if the Senator were to move to strike out that item and let it go on another bill and leave the relief money for those who are suffering in this city, it would not require unanimous consent to do it.

Mr. McKELLAR. Mr. President, when the Senator has been here as long as I have and knows as much about conferences as I think I know, he will realize that that would be a wholly useless thing to do.

Mr. LONG. But I mean—

Mr. McKELLAR. I understand what the Senator means, to strike it out, but it would be restored in conference, and then we would be where we are now.

Mr. LONG. I see the point.

Mr. McKELLAR. I have had that happen before. It is like winning the judgment and losing the execution. [Laughter.]

Mr. President, I am through with that but I wish to come to another point. Here is real finance. Some of us Senators have certainly made a great mistake by not going into the financial and utility business in our day and time.

Here is the Middle West Utilities Co., the head of which, Mr. Samuel Insull, is now a fugitive from justice in Greece. I do not mean in g-r-e-e-k, though I expect he is in some of that and it has been pretty warm, but he is in the Kingdom of Greece. The Middle West Utilities Co. was assessed in 1928 for the tidy little sum of \$324,000. Mr. Insull thought that was right and paid it, but, being a business man, he comes back to a very kind and indulgent Treasury, to the right people, and makes application for a refund of that tax. To give the exact amount, he was assessed \$324,399.90. I think any other less-favored man would have been satisfied to have paid some small tax to his Government, especially if he contemplated—we have been referring to contemplated death, but that is not exactly what he had in mind—running away to get out of the way of a criminal law. One would think that he would have been willing to pay a little tax, but he comes down here, and, bless your soul, goes into secret conclave with the tax authorities of the United States Treasury, and what happens? He is paid back \$266,008.05 in principal and \$131,243.93 in interest, which is exactly \$82,852.08 more than he was charged with in the beginning. In other words, when Mr. Insull deals in secret with officials of the Treasury Department instead of paying taxes he gets \$82,000 plus—

Mr. NORRIS. For not paying taxes.

Mr. McKELLAR. For not paying taxes. Ordinarily a man would be satisfied, any Senator on this floor would be satisfied if he paid a tax this year or paid it last year and the Government would be gracious enough to give it all back to him; but Mr. Insull having power—and it will be remembered he used to have some power on this floor; I was threatened once with defeat because I voted against one of his henchmen on this very floor—but Mr. Insull having power and authority with our Treasury Department, not only gets it all back but he gets \$82,000 more. That, Senators, is the system that we are called on to perpetuate.

I think it would be very wise to have a roll call here. I wonder what Senator is going to vote to perpetuate such a dishonest, such a corrupt, such a wicked system as this of collecting the Nation's taxes. The first thing we know it will cost us more to collect the taxes than we actually receive in the way of revenue. During the last 12 years we have paid out in refunds and rebates of taxes and credits, which are the same as cash, \$4,000,000,000 of the people's money. That is why I am making the request for unanimous consent. I can not imagine a Senator being willing to get upon this floor in the face of these facts and say, "I object to amending the law so as to bring about justice

and fair play to the taxpayers and to the Government itself."

When it comes to tax refunds, I do not want the country to overlook a company established at Toledo, Ohio, by the name of the Willys-Overland Co. Listen to this. In 1927 that company made its own return of what was due the Government, and then—I do not know whether it was Mr. Willys or Mr. Overland; I do not know anything in the world about it—after it had made oath to its return some other official of the company comes along and makes oath that the return the other officer made was incorrect, and in 1928 they secured a refund of \$677,567.43 principal and \$66,099.43 interest. There is one thing about the Willys-Overland Co.; they do not just make a mistake one year; they keep on making mistakes; it is a continuous performance.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I yield.

Mr. NORRIS. I may be mistaken, but, as I remember, Mr. Willys was appointed as ambassador to a foreign country, and he necessarily had to keep up the honor and dignity of the Government of the United States—

Mr. McKELLAR. Of course.

Mr. NORRIS. And he had to entertain very lavishly.

Mr. McKELLAR. I have no doubt of it.

Mr. NORRIS. And it cost a whole lot of money, and he probably did not know when he made out the return how much it was going to cost and did not know how much he wanted back.

Mr. McKELLAR. I imagine that to be so. Another thing about it is that it is unfair and unjust. Not only is it unfair, but think of the plight of poor Insull over in Greece. He ought to have been appointed minister to Greece, and then he could not have been brought back; the Government would have saved him, not only the Treasury Department but the Government itself.

Mr. NORRIS. I should like to interrupt the Senator to say—

Mr. McKELLAR. I yield.

Mr. NORRIS. I do not think Mr. Insull ought to be censured for that or that our Government ought to be censured for not appointing him, because it is well known that the Democrats have decided that no nominees can be confirmed up to the 4th of March, and so what is the use of appointing Mr. Insull as minister to Greece? [Laughter.]

Mr. McKELLAR. I admit the soft impeachment. I think the Senator is correct about it; but it is very unfair to poor Insull.

Here is Willys—but the Senator interrupted me. That was not all that Willys got. He came back the very next year. Although he or his company had sworn before high Heaven that his returns were correct, he or somebody else came along next year and swore that they were incorrect after they made them; and here is what he got the next year: \$225,000 and interest amounting to \$17,540.75, a total of \$986,207.61.

You know, that is a pretty good income for two years, even if they were 1927 and 1928, and yet we enact laws that will permit things of that sort.

So much for those. I want to speak of another one or two here. My heavens! These are small amounts. I was talking about the regulars. I said yesterday that the tax-refund business was the most lucrative business in this country, and it is under the present system. Four billions of dollars shoveled out of the Treasury in the space of nine years! Let us show some of them.

Here is the F. W. Woolworth Co. Of course, that may be regarded as a dole, because Mr. Woolworth does not seem to be worth as much money as Mr. Rockefeller; perhaps it ought to be made good by the Government so that he could have a little more; but let us see what he did with Mr. Woolworth. I will get it here in just a moment.

Wait a minute; I believe I passed one. Oh, well, I passed one, but I ought to have passed it. Here is the

Utah-Idaho Sugar Co., of Salt Lake City, Utah. They got only \$161,000, so I just disregard that. [Laughter.]

Again I say that Mr. Insull has just cause for complaint against the administration of this Government. They paid him only \$32,000 more than he himself paid as taxes, and \$82,000 will not keep him very long in Greece, the way he spends money; but listen to what they did for Mr. Woolworth:

Overassessment (two cases): 1917 to 1921, inclusive, \$1,182,528.11; 1922 to 1926, inclusive, \$1,385,573.88.

A total of \$2,568,101.99.

Two and a half million dollars! How did he get it out of the Treasury? Why, somebody that tells him about it has him make the claim, and thereupon some undisclosed person appoints a committee. Who it is, nobody knows. Mr. Mellon did not know. Mr. Bond did not know. Mr. Blair, the Commissioner of Internal Revenue, did not know. The Solicitor of the Treasury did not know. No responsible officer knew about it, but somebody appointed a committee of three, and that committee of three—not openly, but secretly, without the knowledge of anybody except the Woolworth Co.—restored to the Woolworth Co. \$2,568,101.99 of the people's money.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WALSH of Massachusetts. Does the document from which the Senator is reading, or any other document furnished in connection with the amount of these rebates and refunds, give us the original tax that was paid by the taxpayer?

Mr. McKELLAR. No, sir.

Mr. WALSH of Massachusetts. So when we read such a statement as the Senator has just read, that the refund is over \$1,000,000, there is no way of determining what percentage that is of the total fund originally paid by the taxpayer?

Mr. McKELLAR. I will read what they say, so that we can be fair to Mr. Woolworth.

Mr. WALSH of Massachusetts. But does not the Senator think we ought to have a statement of the original tax that was paid, as well as the amount of the refund, in order to find out what proportion one bears to the other; in other words, to find out in percentages how grave and serious these repeated errors and mistakes of taxpayers or officials of the Government are?

Mr. McKELLAR. Mr. President, I believe the Senator has been here since 1923, has he not?

Mr. WALSH of Massachusetts. Yes; a little before that time.

Mr. McKELLAR. Since 1923 or a little before. The Senator has heard me, at least once a year and perhaps twice a year, ever since 1923, undertake to show the inadequacy of the law; to show the secrecy of these refunds, to show the determined rejection of every effort to have a fair and impartial hearing, and for the public to have the facts. But I want to read what is said here in explanation of this transfer of the Treasury's funds to Mr. Woolworth.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield a moment?

Mr. McKELLAR. Yes.

Mr. WALSH of Massachusetts. One of the assistants on the floor has been kind enough to hand me a copy of the report from which the Senator is reading.

Mr. McKELLAR. The Senator will find what I have been reading on page 51.

Mr. WALSH of Massachusetts. I find, on page 8 of the same document, that the refund to the Woolworth Co. in the first instance was 7.84 per cent, about 8 per cent, of the total payment, and the refund in the second instance was 9.3 per cent, about 10 per cent.

Mr. McKELLAR. A large amount; but I am glad the Senator brought that up, because, unless he wants all the facts read into the Record, and I do not think he does—



Mr. WALSH of Massachusetts. No; all that I want to say to the Senator is this: I have been here listening to what he has been saying, as we all do, for years; and it is regrettable that apparently no change has been made in the policy that has resulted in the payment of these rebates. However honest and however straight and honorable the men are who have been handling the matter, it does not look right. Year after year and month after month these rebates are being handed out in large sums of money. I can not understand why taxpayers, all of whom naturally are inclined to cling to all the money they can, should make such terrible errors in their returns; and I can not understand why officials of the Government who assess these taxes should make such terrible errors and permit these rebates and still retain their positions. Some of them ought to be discharged for making such gross errors.

Mr. McKELLAR. I think they ought; but the first thing we ought to do is to fix the law so that those errors can not be repeated.

Now, Mr. President, before I ask for unanimous consent for the consideration of this amendment, I desire to point out some of the percentages of taxes that have been refunded.

Take the Bankers' Life Insurance Co., of Nebraska; 79 per cent of their tax was refunded to them.

Mr. WALSH of Massachusetts. In one year?

Mr. McKELLAR. One year's tax.

Dartmouth Manufacturing Co., 80 per cent.

Estate of Alonzo Barton Hepburn; 98.42 per cent of the tax was returned to him.

Estate of Gustave A. Kuemmerle, 80 per cent.

Higgins Holding Co.: Here is a holding company in New York, the Higgins Holding Co. They gave in their return \$355,000, every dollar of which was turned back, and \$18,000 returned for interest, making a total of more than 100 per cent returned.

Estate of J. W. E. Bayly, of Louisville, Ky., 100 per cent.

The Middle West Utilities Co., 82 per cent; but it was more than 100 per cent.

Theta Oil Co. of Chicago, 78.39 per cent.

Now, listen to this: Det Forende Dampskibs Selskab, a foreign company; 81 per cent of its taxes was returned to it. Boston & Maine Railroad, 65.66 per cent.

The Senator from Mississippi [Mr. HARRISON], a day or two ago, said that they passed upon the California & Hawaiian Sugar Co; and, as I remember, his statement was that they saved something like a million dollars by passing upon it. Now, I read the facts about it. They paid back 100 per cent of the tax to that sugar company.

Mr. SHORTRIDGE. Why did they do that?

Mr. McKELLAR. Who knows why? They will not disclose why.

Fred M. Woolworth estate, 77 per cent.

Mrs. Adelaide H. C. Frick; 98 per cent of her tax, amounting to \$410,000, was returned to her.

Travelers Insurance Co.; 75 per cent of its tax was returned.

So, Mr. President, with this record of incompetency and inefficiency, to say the least about it, I am going to ask—and I hope no Senator will object—I am going to ask unanimous consent, without regard to the rules, to have a vote on inserting at the top of page 13, after the word "each," in line 3, the proviso that has been read. May it be read again?

The PRESIDING OFFICER. The Senator from Tennessee asks unanimous consent to suspend section 4 of Rule XVI of the Senate. Is there objection?

Mr. MOSES. Mr. President, the Senator has already given notice of his intention to ask a suspension of the rules for this purpose.

The PRESIDING OFFICER. He has.

Mr. MOSES. Then I think the matter should go forward in orderly fashion; and if two-thirds of the Senate wish to do it in orderly manner, we can. Otherwise I certainly shall object.

Mr. McKELLAR. If the Senator objects, then I demand the regular order.

Mr. SMOOT. Mr. President, I ask to have printed in the RECORD—I will not take the time of the Senate to read it—the decision of the Treasury Department in relation to the estate of Ogden Mills.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

DECISION NO. 4204

TREASURY DEPARTMENT, BUREAU OF INTERNAL REVENUE,  
New York, N. Y., December 14, 1932.

In re: Estate of Ogden Mills, Ogden Livingston Mills et al., executors.

An overassessment of estate tax in favor of the above-named taxpayer is determined in the amount of \$5,915,295.22.

Of the overassessment the amount of \$5,691,803.17 is caused by the allowance of a credit under the provisions of section 301 (b), revenue act of 1926, representing the amount of State inheritance taxes paid subsequent to the filing of the Federal estate tax return. (Art. 9 (a), regulations 70.)

The elimination of the value of certain property included in the gross estate in the return filed causes \$199,909.49 of the overassessment. After investigation it is determined that the transfer of such property by the decedent during his lifetime was not made in contemplation of nor intended to take effect in possession or enjoyment at or after his death within the meaning of section 302 (c), revenue act of 1926, and the regulations promulgated thereunder. (Heiner v. Donnan et al., 52 Sup. Ct. 358.)

The balance of the overassessment amounting to \$23,582.56 results from reductions in the values of certain assets included in the gross estate. Investigation discloses that the valuations of these assets were overstated in the return filed. (Sec. 302 (a), revenue act of 1926; art. 13 (3), regulations 70.)

DAVID BURNET, Commissioner.

Abatement, \$5,869,951.90.

Refund, \$45,343.32.

The PRESIDING OFFICER. The regular order is demanded, and the Senate will resume the consideration of the banking bill.

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. BINGHAM and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LONG. Mr. President, I did not yield to the Senator from Connecticut.

The PRESIDING OFFICER. The Chair recognized the Senator from Connecticut first.

Mr. LONG. I had the floor when we laid aside this bill.

The PRESIDING OFFICER. A Senator can not retain the floor indefinitely.

Mr. LONG. A Senator can retain the floor until he surrenders the floor, can he not? I consented to the laying aside of this bill as a courtesy to the Senators handling the deficiency bill, that they might take it up out of the regular order; and when the regular order is resumed we come back to the Glass bill.

The PRESIDING OFFICER. That is not according to the rules. The Senator from Connecticut is recognized.

Mr. BINGHAM. Mr. President, the situation at the present moment is as follows:

It is very important for the poor people of the District of Columbia to secure relief. The funds available for feeding the hungry, and clothing those who are without clothing, and employing the unemployed, are virtually exhausted, and will be exhausted within 48 hours, I am informed by those in charge of the funds.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BINGHAM. In just a moment. Last spring the Senate approved an appropriation of \$600,000 for this purpose. When the matter went into conference the House conferees suggested that that was a pretty large amount, and might not all be needed, and they said that if we would agree to one-half of that amount, they would see that more would be provided in the first deficiency bill at this session if the need should arise. Accordingly the Senate conferees agreed and the Senate agreed. It was later found that the amount provided was sufficient for only a few months.

When the deficiency bill now pending was introduced in the House the Commissioners of the District of Columbia and others interested in the necessity for relief came before the House committee, and the House agreed that not only was \$300,000 more needed, but that more than \$600,000 was needed at the present time. The House approved of that very large amount, and that is the amount carried in the pending bill. The Senate committee has not disapproved of it, but, after investigating, has approved that appropriation.

Mr. McKELLAR. To what bill is the Senator referring?

Mr. BINGHAM. The deficiency appropriation bill. The Senator from Tennessee believes very earnestly, and he has made a most eloquent and compelling argument, that the law with regard to refunds of taxes should be amended. There are many on this floor who agree with him. But it has been the rule of the Senate Committee on Appropriations for some years that the old practice of amending the law by putting riders on appropriation bills to change legislation should not be followed unless two-thirds of the Senate decided that there was a great necessity for doing so and desired to have that done.

When two-thirds of the Senate votes to suspend the rules and place an amendment providing new legislation on an appropriation bill, it is always done. The Senate by a two-thirds vote suspends the rule, the amendment is then in order, and goes on the bill, provided a majority of the Senate votes for it.

That rule in the last few years, according to my recollection—certainly since the distinguished Senator from Washington, Mr. Jones was chairman of the committee—has been agreed to, no matter how much any of us wanted to have new legislation put on an appropriation bill.

Mr. President, I wish that the Senator from Tennessee would follow the custom of the Committee on Appropriations and would insist on his motion for a suspension of the rules. He has made a most eloquent argument as to why this legislation should be adopted. I do not know whether he can secure a two-thirds vote to suspend the rules or not, but that is the regular procedure.

He does not follow that procedure but asks unanimous consent that the rules be suspended. He would do away with the necessity of getting a two-thirds vote on the suspension of the rules, and because that is objected to, he then throws us back into a determined filibuster, carried on most eloquently by the Senator from Louisiana [Mr. Long], exercising his rights, in opposition to another bill. But what is the effect? The effect is to prevent the appropriation of the necessary funds for the relief of the poor and distressed in the District of Columbia.

Mr. President, in any other city in the United States, if this situation existed, the mayor would call a meeting of the board of aldermen, and the board of aldermen—

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BINGHAM. In just a moment.

The PRESIDING OFFICER. The Senator from Connecticut declines to yield.

Mr. ROBINSON of Arkansas. Mr. President, I am sure the Senator from Connecticut will yield. I am satisfied that if he will suspend we may have a vote.

Mr. BINGHAM. Very well, Mr. President; that is very good news.

Mr. McKELLAR. Before doing that—

The PRESIDING OFFICER. Does the Senator from Connecticut give up the floor?

Mr. BINGHAM. I give up the floor.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. Long] is recognized.

Mr. McKELLAR. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield, with the understanding that I do not surrender the floor.

Mr. BINGHAM. Mr. President, I surrendered the floor with the understanding that we would resume consideration of the deficiency bill and have a vote on the motion of the Senator from Tennessee.

Mr. LONG. That is what I am trying to have done, so that the Senator from Tennessee may bring up his motion to suspend the rules.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. The Senator from Louisiana can not yield except for a question.

Mr. LONG. Very well, Mr. President. Then I ask unanimous consent of the Senate that I may yield in order that the Senator from Tennessee may move to suspend the rules and get a vote on his motion, without my yielding the floor.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the pending bill—

Mr. LONG. I do not yield the floor.

Mr. ROBINSON of Arkansas. Mr. President, as I understand, the Senator from Louisiana is willing to yield in order that the Senate may take up the deficiency bill and proceed to a vote on the motion of the Senator from Tennessee.

Mr. LONG. That is correct. I ask unanimous consent that I may do that.

Mr. McKELLAR. I ask unanimous consent that the pending business be laid aside temporarily, and that we proceed to the consideration of the deficiency bill, House bill 13917.

Mr. BINGHAM and Mr. WALSH of Massachusetts addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BINGHAM. I would like to add to that, for the protection of the Senator from Louisiana, the request that when the Senate goes back to the consideration of the banking bill the Senator from Louisiana be accorded the floor.

Mr. ROBINSON of Arkansas. I do not think that is necessary.

Mr. WALSH of Massachusetts. Mr. President, reserving the right to object, I suggest that there be included in the unanimous-consent request the proposal that we have an immediate vote upon the motion of the Senator from Tennessee to suspend the rules, so that we shall have no more debate.

Mr. McKELLAR. I want to ask whether there would be any objection to having a roll call.

Mr. BINGHAM. None whatever on my part.

Mr. McKELLAR. Very well.

Mr. WALSH of Massachusetts. What was the request of the Senator from Tennessee?

Mr. McKELLAR. That we have an immediate roll call.

Mr. WALSH of Massachusetts. As soon as the bill is taken up.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Tennessee? The Chair hears none, and it is agreed to.

The Senate resumed the consideration of the bill (H. R. 13975) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

Mr. McKELLAR. Now, Mr. President, I offer my amendment, which I will ask the clerk to read, and I ask for the yeas and nays on my motion to suspend the rules.

The PRESIDING OFFICER. The amendment has been read, and the question is on the motion of the Senator from Tennessee [Mr. McKELLAR] to suspend section 4 of Rule XVI. The Senator from Tennessee has asked for the yeas and nays on the motion to suspend the rule.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. REED]. I do not know how he would vote if present. I transfer that pair to the Senator from North Carolina [Mr. REYNOLDS] and vote "yea."

Mr. LA FOLLETTE (when Mr. SHIPSTEAD's name was called). I desire to announce the unavoidable absence of



the senior Senator from Minnesota [Mr. SHIPSTEAD]. If present, the Senator from Minnesota would vote "yea."

Mr. GLASS (when Mr. SWANSON's name was called). My colleague [Mr. SWANSON] is unavoidably absent from the Senate Chamber. I am not sure how he would vote if present.

The roll call was concluded.

Mr. ROBINSON of Indiana. I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the senior Senator from Minnesota [Mr. SHIPSTEAD] and vote "yea."

Mr. GLENN (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. In his absence I withhold my vote.

Mr. METCALF (after having voted in the negative). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]; but as he is not present, I transfer that pair to the junior Senator from California [Mr. SHORTRIDGE], and allow my vote to stand.

Mr. FESS. I desire to announce the following general pairs:

The Senator from New Jersey [Mr. KEAN] with the Senator from Illinois [Mr. LEWIS]; and

The Senator from Maine [Mr. WHITE] with the Senator from Texas [Mr. CONNALLY].

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Iowa [Mr. BROOKHART] is detained from the Senate on account of illness. If present, he would vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. HAWES], the Senator from Texas [Mr. CONNALLY], the Senator from Tennessee [Mr. HULL], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained on official business.

The roll call having been concluded, it resulted—yeas 52, nays 26, as follows:

## YEAS—52

Bailey	Copeland	Kendrick	Russell
Bankhead	Costigan	King	Schall
Barkley	Couzens	La Follette	Schuyler
Black	Cutting	Logan	Sheppard
Blaine	Dill	Long	Smith
Borah	Fletcher	McGill	Thomas, Idaho
Bratton	Frazier	McKellar	Thomas, Okla.
Bulkley	George	McNary	Trammell
Bulow	Glass	Neely	Vandenberg
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh, Mass.
Caraway	Hayden	Robinson, Ark.	Walsh, Mont.
Coolidge	Johnson	Robinson, Ind.	Wheeler

## NAYS—26

Austin	Dickinson	Hebert	Smoot
Barbour	Fess	Howell	Steiwer
Bingham	Goldsborough	Keyes	Townsend
Broussard	Gore	Metcalf	Walcott
Carey	Grammer	Moses	Watson
Dale	Hastings	Oddie	
Davis	Hatfield	Patterson	

## NOT VOTING—13

Ashurst	Hull	Reed	Swanson
Brookhart	Kean	Reynolds	Tydings
Connally	Lewis	Shipstead	White
Glenn	Norbeck	Shortridge	
Hawes	Pittman	Stephens	

The PRESIDING OFFICER. On this question the yeas are 52, the nays 26. Two-thirds of the Senators present and voting having voted in the affirmative, the rules are suspended and the amendment of the Senator from Tennessee [Mr. McKELLAR] is in order.

Mr. McKELLAR. Mr. President, I now offer the amendment and ask that the clerk may read it.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. The Senator from Tennessee offers the following amendment:

On page 13, line 3, after the word "each," insert "Provided, That no refund or credit of any income or profits, estate, or gift tax in excess of \$5,000 shall be made after the enactment of this act until a report thereof giving the name of the person, corporation, or partnership to whom the refund or credit is to be made, the amount of such refund or credit, and all the facts and papers in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue

Taxation and action thereon taken by said committee. The said committee, or its duly authorized staff, shall have full access to all the papers and shall examine into and pass upon the case de novo, and no refund or credit shall be made until the Joint Committee on Internal Revenue Taxation, or its duly authorized staff, shall have so passed on such refund, fixed the amount thereof, and made its report to the Commissioner of Internal Revenue; and no refund shall be made without the approval of said committee or its duly authorized staff."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee.

Mr. BORAH. Mr. President, may I ask the Senator from Tennessee in what respect his amendment changes the present law?

Mr. McKELLAR. If the Senator has a copy of the amendment before him, he will note that it reduces the amount involved, in the first place, from claims of \$75,000 to claims of \$5,000. Then it gives the Joint Committee on Internal Revenue Taxation or its duly authorized staff the power to pass on taxing refunds anew and provides that no payment shall be made of a refund until it has been passed on by such Committee on Internal Revenue Taxation.

Mr. GLASS. Mr. President, does the Senator from Tennessee contemplate an enlargement of the personnel of the staff of the committee?

Mr. McKELLAR. No; that is not contemplated.

Mr. BINGHAM. Mr. President, allow me to invite the attention of the Senator from Idaho [Mr. BORAH] to the last sentence of the amendment, which provides that "no refund shall be made without the approval of such committee or its duly authorized staff." In a private conversation with a very distinguished member of the staff I learn that if this becomes the law the staff will have to be very largely increased, as the amount of business which then must come before the committee will be very greatly increased. At the present time the committee only looks into refunds of \$75,000 or over. Under the amendment the committee must not only look into every claim involving \$5,000 and over but nothing can be paid without the approval of such committee or its duly authorized staff. In other words, it confers upon the staff of the joint committee the same power as the Court of Claims of the United States and gives that body the power of ultimate decision in regard to claims against the Government for everything above \$5,000 in the case of refunds.

Mr. BORAH. Mr. President, I am not going to take the time of the Senate; but it seems to me rather extraordinary that the staff should be permitted to pass upon these matters. It is perfectly proper for the committee itself to pass upon them, but for the staff to pass upon matters of this kind seems to me to be rather exceptional. However, I shall not detain the Senate to discuss the matter.

The VICE PRESIDENT. The question is on the amendment of the Senator from Tennessee.

Mr. BINGHAM. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). Having a general pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily detained from the Senate, I am not at liberty to vote.

Mr. METCALF (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as on the previous vote with reference to my general pair and its transfer, I vote "yea."

Mr. LA FOLLETTE (when Mr. SHIPSTEAD's name was called). I desire to announce the unavoidable absence of the senior Senator from Minnesota [Mr. SHIPSTEAD]. If present, he would vote "yea."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from New Jersey [Mr. KEAN] with the Senator from Illinois [Mr. LEWIS]; and

The Senator from Maine [Mr. WHITE] with the Senator from Texas [Mr. CONNALLY].

Mr. HARRISON (after having voted in the affirmative). I have a pair with the senior Senator from Oregon [Mr. McNARY]. I find I can transfer that pair to the junior Senator from Tennessee [Mr. HULL], which I do, and permit my vote to stand.

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Iowa [Mr. BROOKHART] is detained from the Senate on account of illness. If present, he would vote "yea."

Mr. SHEPPARD. I wish to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. HAWES], the Senator from Texas [Mr. CONNALLY], the Senator from Tennessee [Mr. HULL], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained on official business.

The result was announced—yeas 51, nays 26, as follows:

## YEAS—51

Ashurst	Coolidge	Johnson	Russell
Bailey	Copeland	Kendrick	Schall
Bankhead	Costigan	King	Sheppard
Barkley	Couzens	La Follette	Smith
Black	Cutting	Logan	Thomas, Idaho
Blaine	Dill	Long	Thomas, Okla.
Borah	Fletcher	McGill	Trammell
Bratton	Frazier	McKellar	Vandenberg
Bulkley	George	Neely	Wagner
Bulow	Glass	Norris	Walsh, Mass.
Byrnes	Harrison	Nye	Walsh, Mont.
Capper	Hayden	Robinson, Ark.	Wheeler
Caraway	Howell	Robinson, Ind.	

## NAYS—26

Austin	Dickinson	Hebert	Smoot
Barbour	Fess	Keyes	Steiger
Bingham	Goldsborough	Metcalf	Townsend
Broussard	Grammer	Moses	Walcott
Carey	Hale	Oddie	Watson
Dale	Hastings	Patterson	
Davis	Hatfield	Schuyler	

## NOT VOTING—19

Brookhart	Hull	Pittman	Stephens
Connally	Kean	Reed	Swanson
Glenn	Lewis	Reynolds	Tydings
Gore	McNary	Shipstead	White
Hawes	Norbeck	Shortridge	

So Mr. McKELLAR's amendment was agreed to.

The VICE PRESIDENT. The bill is still open to amendment.

Mr. COPELAND. I send forward an amendment.

The VICE PRESIDENT. Let the amendment be reported.

The CHIEF CLERK. At the bottom of page 5 it is proposed to add:

## BUREAU OF PLANT QUARANTINE

Foreign plant quarantine: For enforcement of foreign plant quarantines at the port of entry and/or port of export; expenditures therefor to be made from funds provided for the enforcement of foreign plant quarantines in the act making appropriations for the Department of Agriculture for the fiscal year 1933.

Mr. COPELAND. Mr. President—

Mr. McKELLAR. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. Yes.

Mr. McKELLAR. Has the amendment been recommended by the Budget Bureau?

Mr. COPELAND. No. Let me make an explanation.

Mr. President, I am fully aware that this amendment is subject to a point of order; I have been warned, too, by the chairman of the committee that he intends to raise the point of order; but I feel that the Senate should have knowledge of this matter.

Every State producing apples, whether it be one of the Northwestern States or those on the Atlantic seaboard, has had great trouble of late because of the difficulty of having the American fruit received in various foreign countries. One such country, a large consumer of apples, has sent inspectors to our country to make inspections. As the result of their work there has been a large decline in our exportation of apples.

We have an opportunity, I am assured by the Agricultural Department, to make a friendly gesture to that country because it sends to us large quantities of grapes. If one of our inspectors could make an inspection of grapes, as apples are inspected by the representatives of that country in our land, it is believed there would be a resumption of cordial relations which would permit the continued exportation of apples.

The reason I say the amendment is subject to a point of order is that I undertake therein to change the law which provides merely for inspection in our ports. I have added the words "and/or port of export," and I believe such an amendment should be made. The Department of Agriculture authorities assure me that they have the funds; that there will be no need of an appropriation; I have been appealed to by the apple raisers of Virginia and of my own State as well as of some of the Northwestern States that this should be done; and I hope, in view of the fact that it will not involve the expenditure of money, that the chairman of the committee will not raise the point of order against the amendment and that we may have the relief which the adoption of the amendment will afford.

Mr. HALE. Mr. President, I should like very much to oblige the distinguished Senator from New York, but the amendment clearly proposes legislation on an appropriation bill, and I must, therefore, make the point of order against it.

The VICE PRESIDENT. The point of order is sustained.

Mr. COPELAND. Mr. President, I, of course, realize that if the Senator from Maine raises the point of order the Chair must sustain it. I am sorry that the chairman feels that way, because I shall renew my effort in the regular appropriation bill, hoping that there we may have relief for the coming year. I think, however, it is unfortunate that the point of order should be raised.

Mr. JOHNSON. Mr. President, I find myself somewhat in the position of the Senator from New York [Mr. COPELAND]. The matter, however, concerning which I shall offer an amendment is one of such extraordinary importance that I desire to present the amendment and have it read, and then rest upon whatever ruling may be made in relation to it.

The VICE PRESIDENT. The amendment proposed by the Senator from California will be stated.

The CHIEF CLERK. On page 33, after line 3, it is proposed to insert the following:

## TITLE III—GOVERNMENT PURCHASE OF AMERICAN GOODS

SECTION 1. Unless inconsistent with the public interest, or unless the cost is unreasonable, and notwithstanding any other provision of law, only such unmanufactured articles, materials, and supplies as have been mined or produced within the limits of the United States, and only such manufactured articles, materials, and supplies as have been manufactured within the limits of the United States wholly of articles, materials, or supplies mined, produced, or manufactured, as the case may be, within the limits of the United States, shall be acquired for public use, and no appropriation heretofore or hereafter made shall be available for such acquisition or for payment to any contractor, subcontractor, material men, or suppliers for such acquisition. This section shall not apply with respect to articles, materials, or supplies for use outside the limits of the United States, or to be used for experimental or scientific purposes, or if articles, materials, or supplies of the class or kind to be used are not mined, produced, or manufactured, as the case may be, within the limits of the United States.

SEC. 2. This title shall take effect immediately upon its enactment, but shall not apply to any contract entered into prior to such effective date.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from California.

Mr. JOHNSON. Mr. President, I shall detain the Senate for only a few moments. There are certain instances which have come to the knowledge of various individuals in this country of contracts which are likely to be let upon bids within a very brief period, which contracts, because of the law requiring the lowest bid to be accepted, will go abroad. They are in such sums as to be of very great consequence to manufacturers in our country. The design of the amendment is to prevent that sort of thing.

I recognize that if the point of order is made against it the President of the Senate must of necessity sustain that point of order, but I want to call the importance of this



particular matter to the attention of the Senate so that, if it shall be necessary hereafter upon a motion to suspend the rules in relation to any other appropriation bill, the Senate will be familiar with the situation. I wish, of course, it were possible for the chairman of the committee not to make his point of order and to permit this amendment, which is designed solely in this crisis to aid American manufacturers and producers, to be passed upon by the Senate, so that it might without delay be adopted and made a part of this bill.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Tennessee?

Mr. JOHNSON. I yield.

Mr. McKELLAR. In the Post Office and Treasury appropriation bill there are a number of items of legislation, and I suggest to the Senator that before that bill comes up he examine those several items, and it may be possible that his amendment may come in on that bill. It seems to me to be a very wise and proper amendment.

Mr. JOHNSON. I thank the Senator from Tennessee, and I am protecting myself upon that bill by both a motion and in the fashion suggested, so that, if it be necessary, I may do that.

Mr. ASHURST. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Arizona?

Mr. JOHNSON. I yield.

Mr. ASHURST. I am certain that it is within the literary and parliamentary capacity of the Senator from California, by revamping his amendment, to make it apply only to this particular bill in such a way that it will not be subject to a point of order by making his amendment a limitation on the sums of money appropriated in this particular bill. The Senator could then make the motion seriatim on each bill that may come up hereafter.

Mr. JOHNSON. I thank the Senator from Arizona for the suggestion, but I fear that this bill, carrying no appropriation but dealing only with deficiencies, might not admit of the plan suggested by him.

Mr. HALE. Mr. President, I am entirely in sympathy with the purport of the Senator's motion, but it clearly proposes legislation on an appropriation bill, and certainly I can not consent to it going on the deficiency bill. I hope the Senator will take it up later in connection with some other measure.

Mr. JOHNSON. The Senator may be assured I will do that.

Mr. HALE. In the meantime I should like to say to the Senator the entire matter is being considered by the Committee on Expenditures in the Executive Departments with a view to securing legislation covering the whole point.

Mr. JOHNSON. But my difficulty—and that is the only reason for taking the action I have—is that in the interim the very thing that we seek to prevent may occur.

The VICE PRESIDENT. Is the Chair to understand the Senator from Maine to have made a point of order?

Mr. HALE. I make the point of order against the amendment that it proposes legislation on an appropriation bill.

The VICE PRESIDENT. The point of order is sustained. The bill is open to amendment. If there be no further amendment, the question is, Shall the amendments be engrossed?

The amendments were ordered to be engrossed and the bill read a third time.

The bill was read the third time and passed.

Mr. HALE. I move that the Senate insist on its amendments, ask for a conference with the House of Representatives, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. HALE, Mr. SMOOT, Mr. KEYES, Mr. GLASS, and Mr. McKELLAR conferees on the part of the Senate.

#### THE BANKING ACT

The VICE PRESIDENT. Under the agreement, the Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Louisiana [Mr. LONG] to the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. LONG. Mr. President, a number of Senators may feel, since we are within about 30 minutes of our regular time of adjournment, that we probably ought to take a recess now, but I will ask them to indulge me 30 more minutes to-day.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield for a question; yes, sir.

Mr. BINGHAM. Is the Senator willing during those 30 minutes to permit the Treasury and Post Office appropriation bill to come before the Senate and get under way? Perhaps we might adopt some of the amendments to that bill. Would the Senator be willing to agree to a request for unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the Treasury and Post Office appropriation bill?

Mr. LONG. If the Senator would not mind, I would prefer not to yield to his request. We will be adjourning in 30 minutes, and I will yield for that purpose to-morrow.

Mr. BINGHAM. Very well.

Mr. LONG. I will be glad to discuss the suggestion at the hour when we recess this evening, to see if we can not arrange what the Senator desires.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, I wish to make a little explanation, so that I shall not be misunderstood.

The data which I furnished to the clerk this morning, which the Senator from Virginia [Mr. GLASS] so very kindly consented to have published, contained a few comments through the bill, explaining the changes which are included in the text of what will be printed to-morrow. I just wanted that understood. It was so difficult to strike it out, and I had so little time, that I do not want the Senator from Virginia to think I am imposing on his good nature. I hope he will have no objection to that.

Mr. President, I shall not have the time this evening to go into a few of my remarks which I had reduced to writing. I had expected to cover some of the data, so that I might make no mistake, but I am going to reserve this for to-morrow; but probably by to-morrow I shall be able to familiarize myself with these recent statistics to a point where I can more succinctly state them, possibly without reading them.

I believe that we have all seen the futility and the lack of wisdom of hastily reforming the Federal reserve system in the closing days of this Congress. I think the experience we have had shows us that we need to study the matter to see just what the changes are that we are making.

To-morrow morning, when Senators return here, they will have on their desks printed copies of the bill showing the text of the old act; showing in italics what new matter has been added; and showing, with a line run through the words, what has been deleted from the old Federal reserve act. In other words, the Members of the Senate to-morrow will no longer be in the dark as we proceed to consider this bill, which I hope will not take a very long time. We shall have on each Senator's desk the text—which I have undertaken to prepare for the purpose of expediting the legislation—of the law as it now exists on the statute books, and, as I said, in italics we will show what is added to the present provisions and with a line run through the lettering we will show what is deleted from the present existing Federal reserve act by the bill now under consideration.

I am somewhat at a loss; it is with some delicacy that I proceed now, without that information before me. I had

only one copy of it. We had to make it in red and in black, and the Senate will see that it was impossible to make a carbon copy. The red, of course, would not go through the carbons. Therefore, I had to surrender to the Public Printer the only manuscript I had of this bill, showing the changes; and I will not have that back until to-morrow morning, at which time each Member of the Senate for the first time will have placed before him a composite reproduction of this entire story, showing the changes, deletions, and additions.

At the time of day when I was requested to yield to a unanimous-consent agreement—

Mr. President, with such confusion in the Chamber, I really wonder whether we should not recess now. If any of the Senators wish me to yield in order that he may move to recess, I shall be glad to do so. There are such a few minutes left.

Have I the right to move a recess, Mr. President, without giving up the floor?

The VICE PRESIDENT. The Senator has not.

Mr. LONG. I have not the right to move a recess?

The VICE PRESIDENT. The Senator will lose the floor if he does.

Mr. LONG. I will lose the floor if I move a recess?

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. I do.

Mr. GLASS. Mr. President, has any business been transacted since the last quorum call?

The VICE PRESIDENT. Oh, yes. The deficiency bill has been passed since there was a quorum call.

Mr. GLASS. Very well.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Caraway	Hale	Russell
Austin	Carey	Harrison	Schuyler
Barbour	Coolidge	Hastings	Sheppard
Barkley	Copeland	Hayden	Smith
Bingham	Costigan	Howell	Steiner
Black	Couzens	Johnson	Thomas, Okla.
Blaine	Davis	Long	Townsend
Bratton	Fess	McGill	Trammell
Broussard	Fletcher	McKellar	Vandenberg
Bulkeley	Frazier	Moses	Walcott
Bulow	Glass	Neely	Wheeler
Byrnes	Goldsborough	Norris	White
Capper	Grammer	Oddie	

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

Mr. LONG. How many were present, Mr. President?

The VICE PRESIDENT. Fifty-one, the clerk reports to the Chair.

Mr. LONG. Mr. President, it was the idea of the Senator from Oklahoma that some of the Senators should come back and listen to my speech. I thought myself they ought to do so, but I hated to admit it; but, if any of the Senators do not think they should, I am not going to insist on it.

I shall have to ask for order, Mr. President. There is so much noise that I can not hear anything.

The VICE PRESIDENT. Let the Senate be in order, so that the Senator may be heard. [A pause.] The Senator from Louisiana.

Mr. LONG. If anybody misses anything I say, I do not want to be responsible for it. [Laughter in the galleries.] The blame can not be charged to me.

There is a whole lot to be said on this bill, as I said a moment ago, and a number of the Senators were not here. I hope they will all stay here until I repeat the statement that I made in their absence. I hope no one will leave until I have finished restating that matter.

What I was saying was this: That by to-morrow morning, when the Senators return here, there will be prepared and laid on each Senator's desk a copy of the bill showing just

what has been cut out of the old Federal reserve act and what has been added to it. That will be done in this way: We will take the old Federal reserve act and have that printed in ordinary black type. Then in italics we will have printed just what has been added, and then with the ordinary type with a line through it we will have printed what is being stricken from the old act. In order that that might be done, I had to surrender the only copy of the material I had and send it to the Printing Office, because I had in red type what was being added and underscored in red what was being stricken out, and since the color could not be carried on to a carbon copy, no copy having been made, and the Government Printing Office needing the only copy which I had, I will be somewhat handicapped in presenting this case the balance of the afternoon until the morning. If I make any mistakes, Senators will, I am sure, permit me to correct them and pardon me for having made them under these circumstances.

The Senator from Virginia said that he had all of this information himself. I did not know about it at the time; and had he informed me that he had such information, I would as soon have had his data printed as to have had mine printed, as I presume they would have been substantially the same.

Mr. President, I do not believe that at this time I will be able to cover as much of the bill as I would like to, and such being the case I hesitate to request anyone to remain here very long to listen to me this evening. The Senate has indulged me a good deal of its time and permitted me to go through what I conceive to be my duty to the Senate in covering the bill. But the branch banking feature is receiving so much unfavorable comment, so few are in favor of it, that it is more than a waste of effort to keep the bill before the Senate now.

This bill ought to be permanently sidetracked. I am told by the chairman of the Committee on Banking and Currency that he does not think there is a ghost of a show for the bill even to come out of the committee over in the House, much less pass the House. Why take up time here with a useless formality, wasting time, when we ought to be doing something else?

Mr. President, I will have to demand order.

The VICE PRESIDENT. The Senate will be in order. The Senator has asked for order, and is entitled to order. If Senators desire to converse, they should go to the cloak-room.

Mr. LONG. Mr. President, I am entitled to be heard in this matter. I am trying to present the matter to those who wish to hear about it, those who feel that they might be persuaded by what I say, provided what I say is backed up by facts and statistics which will be valuable in forming an opinion. I do not know, now, just how much weight I would attach to the argument I am in position to make just now, much of my data not being here, as I have explained. But, as I have said time and again, if we are going to pass any legislation, we ought not to be dealing with useless formalities here when we know that this bill not only can not pass the Senate, but can not pass the House at all. It never would get out of the committee over in the House. I doubt whether it would ever be heard before a committee, but it would not be reported there without a hearing being held. They have a way over there of requiring a hearing on important legislation. There has never been a hearing on this bill in the Senate. It was introduced one day, referred to a committee the same day, sent back the same day, and put on the calendar, just a mere empty formalism.

It is proposed to take the Secretary of the Treasury off the Federal Reserve Board. It is just a small matter to take away the right of the United States Treasury to receive the returns from a franchise tax, which it now gets, amounting to many millions of dollars, I do not know how many millions, but plenty, I suppose. That is a small matter. There is no need of a hearing about that, particularly when the money is going from the Government to the banks. Of course, if it had been going from the banks, that would have been a matter on which they would have



required a prolonged hearing, because something might have been extorted out of the banks. But taking a few hundred million dollars out of the Treasury of the United States, and allowing it to go to the banks, is not a matter of sufficient significance even to require a hearing on the bill.

It is proposed that \$125,000,000 of the Government's money be donated and contributed to a liquidating corporation. That is no matter at all, according to the computation, all of that without any hearing before a Senate committee, no consideration whatever, such as is given here on the floor.

Mr. President, this matter requires serious thought. We are dealing with monumental questions. It requires financial advice. Who has had any financial advice on this bill? I venture to say that I am one of the few men in the Senate who has had financial advice on this bill. I have had plenty. I would venture to say that more of the bankers in favor of this bill have seen me than have seen any other man in the Senate.

Some Senators may think the bankers are going to call on them if they agree with them, but Senators will be called upon a great deal more if they do not agree with them on bills of this kind. I have been seen by them, and I have discussed the matter with them.

The men supporting the pending bill are nice people. I would just as soon associate with them in an ordinary, friendly way as with anybody I have ever seen. I do not blame them for maintaining a little lobby around here. It is only natural. It is one of the things everybody is doing, carting money out of the Government's Treasury, taking away money that is going into it. It is all in keeping with the present philosophy of the financiers running the Government. Big income taxes, inheritance taxes on the big fortunes and big incomes, are a nuisance and a burden; but in order to balance the Budget, we have to put some taxes on the 120,000,000 American people they are not paying now.

We hear a lot of talk and claptrap about "Balance the Budget, balance the Budget, balance the Budget." Yet, instead of balancing the Budget, we are presented with a bill the provisions of which would take out of the United States Treasury hundreds and hundreds of millions of dollars the Government is now getting.

Mr. President, I would like to know what Senator here ever has consented to waiving the franchise tax which is now being paid by the big banks under the Federal reserve act. What man here thinks that the United States Treasury is in such shape that, through the use of Government currency and the protection of the United States we ought to be willing to waive the hundreds of millions of dollars, or whatever the amount is, that is coming into the Federal Treasury to-day under the excise taxes on the surplus earnings of the banks under the Federal reserve act? What man would be willing to do that? I ask whether there is anyone who would be willing to do that?

I am not one who would say that we ought not to balance the Budget. I have never said that. But I do say that we ought to balance rations before we worry about balancing the Budget. Balance rations, clothes, food, homes before we talk about balancing the Budget all the time.

That being true, Mr. President, there being only a moment left before our usual time of recess or adjournment, I would say, in these closing minutes of the afternoon session, that it is idle, useless, unnecessary in the extreme at this time even to consider further discussion of this bill. It ought to be laid aside. We ought to get down to work. We have too much to do, too much to talk about, and I submit to you, Mr. President, that the time has come when we ought to get busy on this proposition and do something for the people in a substantial way.

Mr. President, it is now 5 o'clock. It is time some one should move a recess. [Laughter.]

Mr. WHEELER. Mr. President, at the request of the Senator from Louisiana—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. I move that the Senate recess until 12 o'clock noon to-morrow.

Mr. GLASS. Mr. President—

Mr. LONG. The motion is not subject to debate. I make the point of order.

The PRESIDENT pro tempore. The point of order is well taken.

Mr. GLASS. I am not going to undertake to debate it. I rise to submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Virginia will state it.

Mr. GLASS. If that motion prevails, who would be entitled to the floor in the morning?

The PRESIDENT pro tempore. The present occupant of the chair would be compelled to hold that the Senator from Louisiana, of course, loses the floor if he yields for the purpose of having a recess moved. Has the Senator from Louisiana yielded for the purpose of permitting the motion of the Senator from Montana to be entertained?

Mr. LONG. I have.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Montana. [Putting the question.] Apparently the noes have it.

Mr. LONG. Division!

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Hayden	Robinson, Ark.
Austin	Copeland	Hebert	Russell
Bailey	Costigan	Howell	Schuyler
Barbour	Cutting	Johnson	Sheppard
Barkley	Davis	Kendrick	Smith
Bingham	Dickinson	King	Steiwer
Black	Dill	La Follette	Thomas, Idaho
Blaine	Fess	Long	Thomas, Okla.
Bratton	George	McGill	Townsend
Broussard	Glass	McKellar	Trammell
Bulkley	Goldsborough	Moses	Vandenberg
Bulow	Gore	Neely	Walcott
Byrnes	Grammer	Norbeck	Walsh, Mass.
Capper	Hale	Norris	Walsh, Mont.
Caraway	Harrison	Nye	Wheeler
Carey	Hastings	Oddie	
Connally	Hatfield	Pittman	

The PRESIDENT pro tempore. Sixty-six Senators having answered to their names, a quorum is present. The question is on agreeing to the motion proposed by the Senator from Montana. On that question the yeas and nays have been ordered, the motion of the Senator from Montana being that the Senate do now recess until 12 o'clock noon to-morrow. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. McNARY], which I transfer to the junior Senator from Tennessee [Mr. HULL], and vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. REED]. I transfer that pair to the junior Senator from Alabama [Mr. BANKHEAD] and vote "nay."

The roll call was concluded.

Mr. COPELAND (after having voted in the negative). I have a pair with the junior Senator from New Hampshire [Mr. KEYES]. I transfer that to the senior Senator from Florida [Mr. FLETCHER] and let my vote stand.

Mr. DAVIS (after having voted in the affirmative). Has the junior Senator from Kentucky [Mr. LOGAN] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. DAVIS. I have a general pair with that Senator, so I withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Indiana [Mr. ROBINSON] with the Senator from Mississippi [Mr. STEPHENS];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON];

The Senator from New Jersey [Mr. KEAN] with the Senator from Illinois [Mr. LEWIS];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Missouri [Mr. HAWES];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER]; and

The Senator from Maine [Mr. WHITE] with the Senator from North Carolina [Mr. REYNOLDS].

The result was announced—yeas 14, nays 51, as follows:

## YEAS—14

Blaine	Hatfield	McGill	Sheppard
Caraway	Howell	Norbeck	Wheeler
Costigan	La Follette	Norris	
Cutting	Long	Nye	

## NAYS—51

Ashurst	Carey	Harrison	Russell
Austin	Connally	Hastings	Schuyler
Bailey	Coolidge	Hayden	Smith
Barbour	Copeland	Hebert	Steiner
Barkley	Dickinson	Johnson	Thomas, Idaho
Bingham	Dill	Kendrick	Thomas, Okla.
Black	Fess	King	Townsend
Bratton	George	McKellar	Trammell
Broussard	Glass	Moses	Vandenberg
Bulkley	Goldsborough	Neely	Walcott
Bulow	Gore	Oddie	Walsh, Mass.
Byrnes	Grammer	Pittman	Walsh, Mont.
Capper	Hale	Robinson, Ark.	

## NOT VOTING—31

Bankhead	Glenn	Metcalf	Smoot
Borah	Hawes	Patterson	Stephens
Brookhart	Hull	Reed	Swanson
Couzens	Kean	Reynolds	Tydings
Dale	Keyes	Robinson, Ind.	Wagner
Davis	Lewis	Schall	Watson
Fletcher	Logan	Shipstead	White
Frazier	McNary	Shortridge	

So the Senate refused to take a recess.

## COMMITTEE SERVICE

Mr. GLASS obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Arkansas?

Mr. GLASS. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. It is not necessary for the Senator from Virginia to yield. I rise to present a privileged matter.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBINSON of Arkansas. I ask that the Senator from Georgia [Mr. RUSSELL] be assigned to the following vacancies on committees on behalf of the minority: Appropriations, Immigration, Manufactures, and Naval Affairs.

The PRESIDENT pro tempore. Without objection, that order will be entered.

## BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. GLASS. Mr. President, if there be no further speeches to be made upon the pending amendment, I ask that there be a vote on it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana [Mr. LONG] to the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. THOMAS of Oklahoma. Mr. President—

Mr. GLASS. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I propose to take only such time as may be necessary to call to the attention of the Senate some of the conditions which exist throughout the United States. I shall be unable to give the Senate anything like a complete bird's-eye picture because the English language is not sufficiently comprehensive, in

my judgment, to bring to the attention of the Senate a realization of the distress which exists in the States and the cities of this Nation.

Mr. President, while the people are in this state of distress, the United States Senate is proceeding in the nighttime to pass a bill centralizing in one city of these United States more strongly than it is now centered there the financial power of this Republic.

I do not in any sense, Mr. President, charge that the junior Senator from Virginia [Mr. GLASS] has any sinister or ulterior motive in his support of this bill; I know he has not. I know whereof I speak, however. The influence back of this bill is perhaps twofold: First, to destroy the State banks of this Republic; second, when the State banks shall have been destroyed, to authorize branch banking throughout the United States, and then, very shortly, we shall have in these United States a duplicate of the Canadian system.

In Canada to-day there are 10 banks. Those banks have something like 4,000 branches. The 10 banks in Canada are centered in the Wall Street of Montreal. In the morning the heads of those 10 banks in Montreal can meet and decide upon the financial policies for Canada. That is the power and the motive behind this bill. And here, when night has fallen, Senators of the United States are in session in the effort to centralize the strongest power in the Nation more fully than it is centralized to-day.

Mr. President, I have no apology to make for taking time upon this floor. Since coming to this Chamber at 12 o'clock to-day, I have had delivered to me telegrams on an average of every 5 minutes. I propose to read some of those telegrams. I take it that the telegrams coming from my State are similar to those coming from every other State. As a justification of my position on this bill, I now desire to call the attention of the Senate to some of these telegrams written since 12 o'clock to-day and delivered to me since coming into this Chamber shortly after 12 o'clock.

The first telegram is from Oklahoma City.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. LONG. I desire merely to ask the Senator a question.

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I was going to ask the Senator if, in his opinion, from what he knows about this measure, there is any need for speeding up this kind of legislation? If it should be passed, would it do good or would it do harm?

Mr. THOMAS of Oklahoma. Mr. President, unless the thousands of State "pawn shops" in this Republic are destroyed and destroyed immediately the Nation can not survive. Unless a few financial heads in New York can secure control of the financial power of this Republic there is no chance for the United States to survive. Hence it is all-important that the Senate be kept in session in the nighttime in order to pass this proposed legislation.

The first telegram to which I will call the attention of the Senate is dated to-day, as these all are, and is from Oklahoma City. These messages are all addressed to myself. The one I shall now read is from the State bank commissioner of Oklahoma and is as follows:

Am to-day requesting all State banks to immediately advise you their attitude toward bill. My opinion is that State banks of Oklahoma will be 100 per cent against bill, especially section 19.

That is from the State bank commissioner of my State. I presume that it is pursuant to his activities that the others of these messages have been sent to me.

The second message is from Cleveland, Okla., and is as follows:

We strongly disapprove section 19 of the Glass bill, S. 4412, and request that you direct your efforts toward the defeat of this bill.

THE CLEVELAND NATIONAL BANK,  
E. C. MULLENDORE, President.

That message is from a national bank. Almost one-half of the messages that I shall call attention of the Senate to are from national banks.



The next telegram is from Lone Wolf, Okla., and reads as follows:

We are opposed to principles involved in Glass banking bill.  
AMERICAN LEGION,  
C. E. MANAUGH, *Adjutant*.

The next message is from Dustin, Okla., and is as follows:  
Dustin Commercial Club, with 60 members, emphatically oppose Glass banking bill.

S. R. L. MEADOR, Jr., *President*.  
J. A. HAMILTON, *Secretary*.

I read the following telegram from Oklahoma City:

All Oklahoma banks opposed to branch banking in any form. Many other features of the Glass bill objectionable. Hope you exert influence against its passage.

EUGENE P. GUM.

HOLLIS, OKLA., *January 12, 1933.*

Experience with chain organizations over period of 20 years prompts me to advise your stand on banking bill should receive approval of all seeking relief. Give us our old-time merchants and banks and the new deal promised by the Democrats will be realized.

W. I. GILES.

CARNEGIE, OKLA., *January 12, 1933.*

We commend your action opposing Glass bill. This community opposed to branch banking. Act would destroy financial independence of small towns.

H. C. JONES.  
J. HENRY LONG.  
Dr. W. B. PUTMAN.  
HARRY JOLLY.  
MORRIS GOODMAN.

C. D. HULL.  
W. R. BROWN.  
G. C. TRUITT.  
L. G. MARTIN.

ANTLERS, OKLA., *January 12, 1933.*

You have our full support in your opposition to the passage of the Glass banking bill.

JAS. A. HOLT.  
L. W. WEAVER.  
R. W. ELLIS.  
C. E. DUDLEY.  
W. V. JONES.

M. E. DYE.  
F. C. AMEND.  
W. P. COCHRAN.  
B. ZIMMERMAN.  
C. E. STEPHENSON.

YUKON, OKLA., *January 12, 1933.*

We commend your effort to defeat the Glass bill. In our judgment it is dangerous.

D. B. PHILLIPS, *President First National Bank.*

OKLAHOMA CITY, OKLA., *January 12, 1933.*

Go the limit against the banks. Will ask such resolution of the house of representatives to-day.

JAMES M. HAYES.

LAWTON, OKLA., *January 11, 1933.*

The Glass bill (S. 4412) provides in section 19 for branch banking. All over our southland we have had example after example in the last three years of the dangers surrounding this system. We recently witnessed in the State of Oklahoma the spectacle of four or five banking institutions being carried down and the State bank commissioner declaring that each of the State institutions was actually solvent. I believe branch banking to be unfitted for the United States and that it is just another step looking to the centralization of power and influence in the East. I earnestly request and implore that you review carefully and seriously consider this provision of the Glass bill. When you have done this I shall be willing to abide by your decision.

R. B. MCCOY,  
*Cashier City National Bank.*

CHICKASHA, OKLA.

My sentiments are to fight the Glass bill if it takes all winter.  
JESS LARSON, *Mayor*.

OKEMAH, OKLA.

We urge you to continue your fight against the Glass banking bill. Its passage would destroy all home-owned banks.

W. N. BARRY,  
*President the Citizens State Bank.*

SAYRE, OKLA.

Fight branch banking and guarantee of deposits to last ditch. Do not destroy individuality in banking or place too much power in hands of too few.

O. M. MARSH,  
*Vice President Beckham County National Bank.*

OKLAHOMA CITY, OKLA.

Unit systems of banking should be maintained. Chain and group banking unwise and unsound. People more concerned in

safe banking than in any particular system. One-half bank failures preventable. Eliminate crookedness, incompetency, and inefficiency from banking and politics from supervisory departments and most of present evils in banking will have been cured.

M. B. COPE,  
*Attorney for the Banking Department.*

OKLAHOMA CITY, OKLA.

My entire business life of more than 20 years in five States has been devoted actively to commercial-credit work and kindred activities, including 12 years' banking experience in Oklahoma City and Los Angeles, Calif. My residence in California afforded me splendid opportunity to carefully study chain and branch banking. I therefore heartily commend your position on the proposed banking legislation.

O. B. TEDRICK.

EDMOND, OKLA.

The reserve national-banking system under the original Glass bill weaned the rural banks from extending credit to their friends the farmers, thus destroying all local credit, taking all the money to central points. Chase National exults over 11 per cent dividend declared in the face of hundreds of its rural banks gone broke. This reckless handling of the money problem is all our trouble. Until the local banks can give credit to responsible borrowers on a basis of 3 or 4 per cent this reign of terror will continue.

J. T. DICKERSON.

ALTUS, OKLA.

Bill permitting branch banking positively against best interests of community and State. We want to do business with home bankers and want you to fight any move that will enable metropolitan banks to gobble up financial resources of smaller communities.

HARRINGTON WIMBERLY,  
*Editor Altus Times Democrat.*

OKLAHOMA CITY, OKLA.

Majority of Oklahomans are with you on the bank fight. It begins to look like you and Huey are the only ones there who really realize the seriousness of the unemployment situation. Letter follows.

JOHN J. HARDEN.

OKLAHOMA CITY, OKLA.

Oppose Glass bill.

BERT R. WILLIS, *State Senator.*

ALTUS, OKLA.

\* Am opposed to Glass bill (S. 4412). Section 19 in this bill is especially dangerous and not to best interest of country.

W. B. GROVER,  
*President the Bank of Commerce.*

YALE, OKLA.

We object to section 19 Glass bill.

FIRST NATIONAL BANK,  
W. A. NORTHGRAVE, *President*.  
WILL LAUDERDALE, *Cashier*.

CANTON, OKLA.

Appreciate your stand on Glass bill. Wish you success.  
BURNS DRUG CO.

HANNA, OKLA.

We approve your stand against the Glass bill.

JOHN CASTLE,  
C. A. HUNT.

LAWTON, OKLA.

We believe branch banking, like branch merchandising, a menace to most of our people. It places control outside the community. We are depending on you to speak for us. Extend you our full support.

OZMUN BROTHERS.

CANTON, OKLA.

We are for you in fight on Glass banking bill.

B. H. BURNHAM.

CARNEGIE, OKLA.

We are opposed to Glass bill, featuring branch banking. Appreciate position taken by you and urge your continued efforts in defeat of this bill.

FIRST NATIONAL BANK.

OKLAHOMA CITY, OKLA.

The establishment of branch banks will not only create centralization of money but will at once destroy confidence in all independent banks and cause thousands of them to fail or rush into voluntary liquidation through fear and ultimate intimidation.

W. R. HAILE.

CANTON, OKLA.  
Our club is for you 100 per cent in your fight on Glass banking bill.

CANTON LIONS CLUB,  
FRANK RAAB, *President*.

OKLAHOMA CITY, OKLA.  
Group banking and Wall Street control would eliminate the personal element in banking. It would then be as cold-blooded as a faro wheel—red you win, black you lose. We are behind you 100 per cent.

L. McCLENNAN AND WIFE.

OKMULGEE, OKLA.  
Believe you are on right track. Fight them to finish.  
DORSEY W. GRIER.

CANTON, OKLA.  
Do all you can to prevent passage Glass banking bill.  
CANTON AMERICAN LEGION POST.

GUTHRIE, OKLA.  
We urge continued opposition Glass banking bill and branch banking.

FIRST STATE BANK.

EL RENO, OKLA.  
We are opposed to Glass bill, especially section 19.  
EL RENO STATE BANK.

YUKON, OKLA.  
Continue your fight against Glass banking bill.  
C. T. ALEXANDER.

ANADARKO, OKLA.  
Believe Glass bill dangerous. Urge your continued opposition.  
FIRST NATIONAL BANK.

ARDMORE, OKLA.  
We strongly indorse your opposition section 19, Glass bill. Writing.

EXCHANGE NATIONAL BANK OF ARDMORE.

LAWTON, OKLA.  
We strongly favor your position in opposition to branch banking.  
AMERICAN NATIONAL BANK.

STILLWATER, OKLA.  
We are opposed to section 19, Glass bill.  
STILLWATER NATIONAL BANK,  
JAMES E. BERRY, *President*.

CUSTER CITY, OKLA.  
We appreciate your efforts to defeat branch bank bill.  
W. O. CROW.  
FRED T. HUSTON.  
M. O. DAWSON.

CHEROKEE, OKLA.  
Heartily indorse stand opposing branch banking; continue efforts for defeat.

ALFALFA COUNTY NATIONAL BANK,  
H. B. KIEWER, *President*.

OKLAHOMA CITY, OKLA.  
Glass banking bill would destroy State banks; people with you.  
J. H. STRAIN, *Ex State Bank Commissioner*.

ANADARKO, OKLA.  
You have our support in opposing section 19, Glass bill.  
ANADARKO BANK & TRUST CO.  
DIXON.

OKEENE, OKLA.  
We are opposed to Glass banking bill and commend your fight.  
STATE GUARANTY BANK.

NORMAN, OKLA.  
Heartily commend your position Glass bank bill; urge your continued opposition thereto.

SECURITY NATIONAL BANK,  
R. W. HUTTO.

KINGFISHER, OKLA.  
Defeat the Glass banking bill; filibuster approved.  
FIRST NATIONAL BANK.

CARNEGIE, OKLA.  
This bank opposed to branch-banking feature Glass bill. Appreciate your position in matter and urge that you continue your efforts toward defeat of that provision.

FARMERS NATIONAL BANK.

CHEROKEE, OKLA.  
We heartily approve your stand on the branch banking bill. It should be defeated.

FARMERS NATIONAL BANK.  
CHEROKEE NATIONAL BANK.

OKEMAH, OKLA.  
Hope you will defeat Glass bill. You have our cooperation.  
FIRST NATIONAL BANK OF OKEMAH.

OKEMAH, OKLA.  
We are asking you to oppose Glass bill.

OKEMAH NATIONAL BANK.

OKLAHOMA CITY, OKLA.  
Unequivocally oppose branch banking. Strongly indorse your action.

M. F. JONES.  
A. B. RICHERT.  
FRED BAIRD.  
R. C. MOSS.  
W. A. EASLEY.  
HERMAN FRANCIS.  
A. M. RIAT.

FAIRVIEW, OKLA.  
We are unalterably opposed to Glass bill and branch banking.  
FAIRVIEW STATE BANK.

CANTON, OKLA.  
Appreciate your stand on Glass banking bill.  
T. C. KNOOP.

CANTON, OKLA.  
Appreciate your stand on Glass banking bill.  
CANTON DRUG CO.

CANTON, OKLA.  
Heartily in sympathy with your position on Glass banking bill.  
BANK OF CANTON.

Mr. President, we are now in the sixth week of this session. This is the last, the short session of the Seventy-second Congress. This short session will close at 12 o'clock noon on March 4. We have less than eight weeks left.

We are now in the fourth year of the depression. Forty months have come and gone; and yet the leaders of this body—if we have leaders—seemingly do not know that we have a depression in these United States.

For the first two years the leaders absolutely refused to admit that there was any sort of a depression. The third year was given over to what the leaders called remedies; and I will come to those later.

The present administration had its opportunity. It was tried by a jury in these United States. This jury rendered its decision on the 8th of last November. As a result of that jury trial, and as a result of that verdict, a President has been convicted; an administration has been wrecked; a political party has been injured, if not entirely destroyed. Now, with one branch of the Congress of the party which won in November, and the other branch 50-50, the United States Senate—that branch which is 50-50—still refuses to admit that we even had a trial last November!

After March 4 a new party will come into power; a new administration will be inaugurated; a new President will take charge of the reins of this Government; a new Congress will come into existence. The House then will be Democratic by a large majority; the Senate likewise will be Democratic by a large majority; and yet, after six or seven weeks of the rule of the party which won in November, I am embarrassed at this late hour when I am forced to make these admissions upon this floor.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. THOMAS of Oklahoma. I yield.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:



Austin  
Bailey  
Barbour  
Bingham  
Black  
Bratton  
Bulkley  
Bulow  
Byrnes  
Capper  
Connally

Coolidge  
Costigan  
Davis  
Fess  
George  
Glass  
Goldsborough  
Gore  
Hale  
Hastings  
Howell

Johnson  
La Follette  
Long  
McKellar  
Moses  
Neely  
Oddie  
Pittman  
Robinson, Ark.  
Schuyler  
Sheppard

Smith  
Steinwer  
Thomas, Idaho  
Thomas, Okla.  
Townsend  
Trammell  
Vandenberg  
Wagner  
Walcott  
White

The PRESIDENT pro tempore. Forty-three Senators having answered to their names, a quorum is not present.

Mr. GLASS. Mr. President, I suggest that the absentees be called.

The PRESIDENT pro tempore. The Senator from Virginia requests a call of the absentees. The clerk will call the roll.

The legislative clerk called the roll of absent Senators, and the Senator from Kentucky [Mr. BARKLEY], the Senator from Vermont [Mr. DALE], and the Senator from Georgia [Mr. RUSSELL] entered the Chamber and answered to their names when called.

The PRESIDENT pro tempore. Forty-six Senators having answered to their names, there is not a quorum present.

Mr. GLASS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. HEBERT, Mr. BROUSSARD, Mr. HAYDEN, Mr. MCGILL, and Mr. COPELAND entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-one Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE. Mr. President, I suggest that the order of the Senate recently made be vacated.

The PRESIDENT pro tempore. Without objection, the order of the Senate previously entered will be vacated.

Mr. THOMAS of Oklahoma. Mr. President, just before I yielded for the suggestion of the absence of a quorum I was about to make an admission, the admission being of a fact, however, that the other branch of the Congress is now under the control of the party which won such a great victory in the November election, and that for practical purposes this body is under the control of the same party.

In November the people of the United States, by a vote of something like 22,000,000 to 15,000,000, voted for a change—a change from hunger, a change from nakedness, a change from unemployment, a change from foreclosures. Yet, in a Congress now under the control of the victorious party, we have been in session six weeks and this body has passed the Philippine independence bill, proposing to give people some 7,000 miles away their independence in some future generation, and is now proposing to pass a bill further centralizing the financial power of this Nation in a handful of men located in one of the great cities of this Nation.

Mr. President, it is very appropriate that we should be here at this time of the night to do that sort of thing. If the unemployed wanted legislation, they would scarcely be heard. If the hungry wanted help, they could not receive a hearing, perhaps. If the farmers were asking for consideration, they would scarcely receive it at the hands of this body. Yet, when the financial power wants relief, it is easy to keep the Senate in session, and even in the nighttime to arrest Senators and bring them here to pass the bill without delay.

Mr. President, I desire at this point to call attention to a remark made recently by the late lamented former President, Calvin Coolidge, as quoted in an Associated Press dispatch from Northampton, Mass., dated January 6. This little dispatch carries a quotation from the famous former President, and I think it has merit. In order that the RECORD may be complete, I read the Associated Press dispatch:

NORTHAMPTON, MASS., January 6.—George Dragon asked Calvin Coolidge about the depression. He got an answer, Dragon related last night. "Some of the boys had been after me to ask Mr. Coolidge about the depression, else I would not have done it. I said, 'Mr. Coolidge, how about this depression? When is it going to end?' He said, 'Well, George, the big men of the country have got to get together and do something about it. It is not going to end itself.'"

Mr. President, so far as the activities of the Senate are concerned, we apparently are expecting the depression to end itself at any moment. So far as my observation of the activities of the Senate goes, the Nation is in the height of prosperity. Who are these big men to whom Mr. Coolidge referred only a few days ago?

The big men of the country have got to get together and do something about it. It is not going to end itself.

Mr. President, are the big men together and have these big men, after having gotten together, come down to Washington and are they now back of this bill keeping the Senate in session in the nighttime, with absent Senators threatened with technical arrest to secure their attendance in order to pass the bill? Is this a bill to end the depression? I wonder who these big men are. There is only one power in this Republic that can enact legislation. Big men outside of the Congress can confer, they can resolve, they can use their influence, but after all when something is done it must be done by the policy-making branch of the Government and that is the Congress of the United States. The President can not enact legislation. All the President can do is to suggest and recommend. Committees on the outside can recommend and resolve, but they can not enact legislation. Only the Congress can enact legislation.

Six weeks have gone and this is the nearest we have come to remedial legislation—proposing to place the financial power of the United States more strongly in the hands of that short, crooked street in New York beginning at one end at a cemetery and ending at the other end at a river.

Let me at this point invite attention to what some men say about the matter. I invite the attention of the Senate to another Associated Press dispatch of recent date, January 5, Sacramento, Calif. This dispatch purports to quote a former Secretary of the Treasury; it purports to quote a man who will soon occupy a seat in this Chamber and upon this side of the aisle. As one Member on this side I welcome his entrance to this body.

The Associated Press dispatch news story contains the following headline:

PARTY IS ON TRIAL, DECLARES M'ADOO—NOVEMBER ELECTION RESULTS INTERPRETED AS "GREAT PROGRESSIVE REVOLT"

SACRAMENTO, CALIF., January 5.—William G. McAdoo declared yesterday the Roosevelt landslide in November was not "a party victory," and voiced his opinion that the Democratic Party is on trial.

Speaking before Californians delegated to vote yesterday as members of the Electoral College for Franklin D. Roosevelt for President, the former Treasury Secretary and Democratic United States Senator elect interpreted the general election result as a "great progressive revolt."

I next call attention to a statement appearing recently in the public press from a great citizen of my State, now a resident of California. I quote Will Rogers, who said:

The Democrats are only in for a trial. If they don't make good, out they go. It's perhaps too bad that sentiment plays no part in our elections, but it doesn't. It's results, or out.

Now the Democratic Party, in control of the Congress, as its first major activity is proposing to centralize the banking power and financial power of America and the world in perhaps a dozen heads of a dozen banks in one city of these United States.

At this point I desire to invite the attention of the Senate to the branch banking system in Canada. I happened to be in Canada about a year ago, and while there I took occasion to make some investigation relative to the banking system of that country. After I returned to Washington I addressed a letter to the Minister of Finance in Canada. I will read the reply of the deputy minister in reply to my letter:

OTTAWA, November 26, 1931.

ELMER THOMAS, Esq.,  
Care of the United States Senate,  
Washington, D. C.

DEAR SIR: Your letter of recent date requesting the following information has been handed to me for attention.

- (1) Estimated wealth of Canada.
- (2) Names of the 10 Canadian chartered banks, with the number of branches belonging to each.
- (3) Estimate of total amount of money—gold, silver, copper, and paper currency—in circulation in Canada.
- (4) Copy of the bank act.
- (5) Copy of latest returns of the chartered banks of Canada.

The attached statement sets forth the information asked for under Nos. 1, 2, and 3.

I am inclosing a copy of the bank act, as well as a copy of the latest returns of the chartered banks.

Yours truly,

W. C. RONSON,  
For Deputy Minister.

The information given me in response to my letter is as follows:

First, the estimated national wealth of Canada amounted to \$30,840,000,000 in 1921, which is the latest available figure.

Then I had asked for the names of the 10 Canadian chartered banks, with the number of branch banks belonging to each. His answer is as follows:

Number of branches

Name of bank	In Canada	Outside Canada	Total
Bank of Montreal	631	17	648
Bank of Nova Scotia	308	41	349
Bank of Toronto	192	192	384
Banque Provinciale du Canada	333	—	333
Canadian Bank of Commerce	765	15	780
Royal Bank of Canada	812	104	916
Dominion Bank	138	2	140
Banque Canadienne Nationale	591	1	592
Imperial Bank of Canada	227	—	227
Barclay's Bank (Canada)	2	—	2
Total	3,999	180	4,179

So these 10 banks—and that is all the banks they have in Canada, just 10, just the number of banks that a man has fingers on his two hands—have in Canada a total of 3,999 branches, a total of 180 branches outside of Canada, making a grand total number of branch banks which those 10 banks in Canada have of 4,179.

Mr. President, that is what is proposed to be permitted in this bill. We may not have as small a number as 10, but I should not be surprised if in a few years after the bill is passed it would be as small a number as 10. It might be still lower; it might be 5, it might be 3, because to-day there are 3 banks in New York City having total resources of approximately \$6,000,000,000—3 banks in one city of this Nation having more resources than all the gold and silver and paper money in circulation in these United States.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Oklahoma yield to the Senator from Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. GLASS. May I ask the Senator to point to that provision of the bill which would enable us to come to that condition in the United States? There are 48 States, and the bill provides a state-wide branch banking system. What provision of the bill would enable as few as 11 banks to get possession of the banking business of the country? What is to become of the 19,000 banks which exist?

Mr. THOMAS of Oklahoma. Before the camel has a chance it must first get its nose under the edge of the tent. Having gotten its nose under, the next thing is its eyes, then its ears, then its hump, and then the camel is under.

Mr. GLASS. Then what the Senator means to imply is that at some time in the future, which he is not able to determine, this great Nation of 125,000,000 people will come to the Canadian bank system of 11 banks. He does not mean to say there is any provision in the bill that would bring about that condition?

Mr. THOMAS of Oklahoma. I do not. The Senator is right. But I think I know what is in the minds and in the purpose of those behind the legislation, and all the time I wish it distinctly understood I am charging nothing to the distinguished junior Senator from Virginia. I know of my own knowledge that it is the purpose of the financial power of this Republic to have branch banking throughout the United States. It is the purpose of those gentlemen to destroy State banks in these United States. When State banks are destroyed and when the branch banking system is once inaugurated, it will be extended.

In 1916 I had the privilege and the pleasure of seeing President Wilson sign the Federal reserve act. Yet in 16 years that document has been amended some 25 times, and to-day we are being kept here in the nighttime, with some Senators under technical arrest, in order to pass the twenty-sixth amendment to it.

Answering further the communication that I addressed to the Minister of Finance in Canada that official sent me the following information:

The amount of bank notes in circulation on September 30, 1931, was \$139,908,403; Dominion notes in circulation on that date, \$150,336,415.19; gold in circulation in Canada on that date, \$2,134,590; silver in circulation, \$27,732,617.16; copper in circulation, \$2,289,708.86; nickel in circulation, \$1,536,667.72, or a total circulation on that date in the sum of \$323,938,401.93.

Mr. President, I desire at this point to read from a leaflet giving an analysis of the practical effect of working operations of the Canadian system.

Mr. BLAINE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Maine?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. Before leaving the subject of the 10 Canadian banks, does the information the Senator has disclose that any of those parent banks are located in Winnipeg or in the western portion of Canada on the Pacific coast?

Mr. THOMAS of Oklahoma. I read the list, and I will read it again hurriedly. I am unable to say where all the banks are located. The Bank of Montreal, of course, is in Montreal.

Mr. BLAINE. The names may indicate.

Mr. THOMAS of Oklahoma. I can say from personal knowledge that a number of the banks are located in Montreal. Montreal has its Wall Street. I would not want to say just which of the banks have their main office in Montreal, but the names of the banks are as follows:

The Bank of Montreal, the Bank of Nova Scotia, the Bank of Toronto, the Banque Provinciale du Canada, Canadian Bank of Commerce, Royal Bank of Canada, Dominion Bank, Banque Canadienne Nationale, Imperial Bank of Canada, and Barclay's Bank.

I likewise have and exhibit to the Senate the Return of the Chartered Banks of the Dominion of Canada, showing the condition of those banks on September 30, 1931. This return is printed partially in English and partially in French. I will ask to have the table inserted at this point in my remarks, omitting the part which is printed in French.

The PRESIDENT pro tempore. Without objection, it is so ordered.

[The table referred to will be found on pages 1654 and 1655.]

Mr. THOMAS of Oklahoma. I read now a brief analysis of the Canadian banking system:

Some authorities urge the English or Canadian banking systems for America, pointing out that these systems have had no failures. The fact is, that the English banking system would be in suspense at this time except for the abandonment of the gold standard. As for the Canadian system, it is not a banking system, but rather a system of safety-deposits vaults. It compares favorably with America's postal savings bank system and is just about as serviceable to the local community. This explains the undeveloped state of Canada as compared with the United States.



Return of the chartered banks of the Dominion of Canada September 30, 1931, made to the Minister of Finance in conformity with section 112 of the bank act, chapter 12, of the Revised Statutes of Canada, 1927  
[Supplement to the Canada Gazette, November 7, 1931]

Name of bank	Notes in circulation	Balances due to Dominion Government, after deducting advances for credits, pay lists, etc.	Advances under the finance act	Balances due to provincial governments	Deposits by the public, payable on demand in Canada	Deposits by the public, payable after notice or on a fixed day in Canada	Deposits elsewhere than in Canada	Loans from other banks in Canada, secured, including bills rediscounted	Deposits made by and balances due to other banks in Canada	Due to banks and banking correspondents in the United Kingdom	Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom	Bills payable	Letters of credit outstanding
	1	2	3	4	5	6	7	8	9	10	11	12	13
LIABILITIES													
Bank of Montreal.....	\$35,231,530	\$13,317,029		\$5,475,168	\$158,901,754	\$397,238,405	\$72,137,945		\$2,101,981	\$1,028,509	\$11,334,772	\$324,738	\$8,593,131
Bank of Nova Scotia.....	12,680,169	562,975	\$4,000,000	596,487	35,024,801	131,905,242	31,172,499		2,651,027	266,798	2,374,503	277,406	4,696,634
Bank of Toronto.....	6,407,179	130,572		1,063,907	26,502,779	67,431,533			658,897	219,498	1,838,415	528,000	1,053,381
Banque Provinciale du Canada.....	3,842,402	96,516		66,254	5,532,451	36,046,393			3,514		97,814		14,445
Canadian Bank of Commerce.....	24,966,229	982,402		4,291,988	129,643,569	291,968,252	40,245,456		1,568,348	848,025	24,962,860	357,337	14,683,187
Royal Bank of Canada.....	31,653,867	1,722,212	12,000,000	5,481,177	155,991,107	298,147,400	166,467,217		1,219,927	748,761	19,650,774	3,886,047	30,525,404
Dominion Bank.....	6,460,793	157,644		478,418	31,068,378	67,282,344	1,783,299		765,199	841,643	1,617,494	2,150	1,292,506
Banque Canadienne Nationale.....	10,003,754	332,541	3,500,000	1,619,631	21,140,932	91,028,752	1,277,601		1,613,070	78,926	383,212		431,716
Imperial Bank of Canada.....	8,332,050	696,978		3,044,844	28,935,462	73,509,145	13,000		2,066,571	503,998	1,687,154		697,900
Barclay's Bank (Canada).....	270,520	26,332			874,016	961,440			46,411	403,201	1,524,781		68,617
Total.....	139,908,403	17,925,201	19,500,000	22,117,872	594,275,249	1,455,518,906	313,097,017		12,694,945	4,939,359	65,501,779	5,375,678	62,056,921

Name of bank	Liabilities not included under foregoing heads	Dividends declared and unpaid	Rest or reserve fund	Capital paid up	Total liabilities	Capital authorized	Capital subscribed	Rate per cent of last dividend declared	Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors	Average amount of current gold and subsidiary coin held during the month	Average amount of Dominion notes held during the month	Greatest amount of notes of the bank in circulation at any time during the month
	14	15	16	17								
LIABILITIES												
Bank of Montreal.....	\$1,966,869	\$25,132	\$38,000,000	\$36,000,000	\$781,676,967	\$50,000,000	\$36,000,000	Per cent 12	\$3,625,998	\$26,845,567	\$43,023,398	\$37,085,736
Bank of Nova Scotia.....	139,172	484,768	24,000,000	12,000,000	262,832,488	15,000,000	12,000,000	16	2,661,865	9,490,672	6,180,301	13,523,314
Bank of Toronto.....	106,425	2,069	9,000,000	6,000,000	121,062,660	10,000,000	6,000,000	12	1,726,862	385,850	4,751,137	6,789,474
Banque Provinciale du Canada.....	31,753	6,571	1,500,000	4,000,000	51,238,117	5,000,000	4,000,000	9	602,776	274,783	421,415	4,077,072
Canadian Bank of Commerce.....		25,020	30,000,000	30,000,000	594,572,676	50,000,000	30,000,000	12	6,416,940	9,943,000	13,211,000	25,994,183
Royal Bank of Canada.....	105,664	39,224	35,000,000	35,000,000	797,638,787	50,000,000	35,000,000	12	3,616,671	14,593,182	16,232,647	32,987,074
Dominion Bank.....	446,310	211,085	9,000,000	7,000,000	129,007,177	10,000,000	7,000,000	12	1,563,622	1,017,000	5,425,000	6,965,018
Banque Canadienne Nationale.....		5,429	7,000,000	7,000,000	145,415,568	10,000,000	7,000,000	10	739,480	1,082,322	1,773,570	10,228,584
Imperial Bank of Canada.....		1,144	8,000,000	7,000,000	134,388,250	10,000,000	7,000,000	12	244,256	911,975	3,599,426	8,755,015
Barclay's Bank (Canada).....	6,320		500,000	500,000	5,181,641	500,000	500,000			12,857	18,624	293,385
Total.....	2,802,513	800,442	162,000,000	144,500,000	3,023,014,331	210,500,000	144,500,000		21,198,470	64,557,208	94,636,518	146,698,855

Name of bank	Current gold and subsidiary coin			Dominion notes			Notes of other banks	United States and other foreign currencies	Checks on other banks	Loans to other banks in Canada, secured, including bills rediscounted	Deposits made with and balances due from other banks in Canada	Due from banks and banking correspondents in the United Kingdom	Due from banks and banking correspondents elsewhere than in Canada and the United Kingdom	Dominion Government and provincial securities	Canadian municipal securities, and British, foreign, and colonial public securities other than Canadian	Railway and other bonds, debentures, and stocks	Call and short (not exceeding 30 days) loans in Canada on stocks, debentures, bonds, and other securities of a sufficient marketable value to cover
	In Canada	Elsewhere	Total	In Canada	Elsewhere	Total											
	1			2													
ASSETS																	
Bank of Montreal <sup>1</sup>	\$22,399,236	\$4,419,756	\$26,818,992	\$55,361,419	\$5,905	\$55,367,324	\$3,015,568	\$383,143	\$27,231,020		\$3,836	\$687,662	\$32,363,524	\$145,022,160	\$58,985,772	\$10,740,690	\$11,251,264
Bank of Nova Scotia	7,195,474	2,210,327	9,405,802	5,530,833	1,305	5,532,139	977,415	1,202,549	7,891,704			282,152	6,960,242	41,987,326	16,450,094	11,182,758	24,130,151
Bank of Toronto	388,439		388,439	5,730,837		5,730,837	493,710	35,939	5,379,686			155,404	982,651	25,554,985	7,826,171	2,576,888	6,893,320
Banque Provinciale du Canada	275,390		275,390	455,553		455,553	494,275	41,424	1,760,445		1,894,409	24,677	127,265	7,770,105	5,211,767	3,851,764	5,557,168
Canadian Bank of Commerce <sup>2</sup>	6,502,289	11,087,817	17,590,107	12,754,759	3,266	12,758,026	1,891,775	994,782	18,494,721		22,235	536,824	30,615,960	103,753,989	20,521,744	13,543,878	40,441,170
Royal Bank of Canada <sup>3</sup>	7,405,170	6,738,013	14,143,184	20,302,341	2,101	20,304,442	2,968,582	12,083,963	20,893,633		1,104	1,441,587	32,759,195	70,806,284	26,071,442	13,296,007	47,319,198
Dominion Bank	1,012,046	580	1,012,626	3,958,794	356	3,959,150	716,675	64,542	4,424,316		1	106,072	1,841,794	19,759,676	4,972,712	2,885,911	11,358,002
Banque Canadienne Nationale <sup>4</sup>	1,068,811	169	1,068,981	1,847,814	26	1,847,840	754,285	84,611	4,947,996		306,247	6,491	567,935	21,828,451	10,855,770	3,274,286	10,044,853
Imperial Bank of Canada	779,035		779,035	4,194,652		4,194,652	734,445	36,792	5,870,316		604,722	241,975	2,353,063	18,658,832	9,046,541	185,668	9,442,478
Barclays Bank (Canada)	13,663		13,663	237,178		237,178	9,200	1,954	317,301		1,098,384	114,743	208,586	787,180	158,213	10,199	138,115
Total	47,039,553	24,456,662	71,496,219	110,374,180	12,959	110,387,141	12,055,990	14,029,699	97,211,138		3,930,938	3,597,587	108,780,215	455,923,988	160,100,223	61,548,049	160,575,719

Name of bank	Call and short (not exceeding 30 days) loans elsewhere than in Canada on stocks, debentures, bonds, and other securities of a sufficient marketable value to cover	Other current loans and discounts in Canada	Other current loans and discounts elsewhere than in Canada after making full provision for bad and doubtful debts	Loans to the Government of Canada	Loans to provincial governments	Loans to cities, towns, municipalities, and school districts	Noncurrent loans, estimated loss provided for	Real estate other than bank premises	Mortgages on real estate sold by the bank	Bank premises at not more than cost, less amounts (if any) written off	Liabilities of customers under letters of credit as per contra	Deposit with the Minister of Finance for the security of note circulation	Deposit in the central gold reserves	Shares of and loans to controlled companies	Other assets not included under the foregoing heads	Total assets
	14	15	16	17	18	19	20	21	22	23	24	25	26 <sup>1</sup>	27	28	
ASSETS																
Bank of Montreal <sup>2</sup>	\$24,417,620	\$268,746,834	\$33,054,362		\$14,346,455	\$35,078,929	\$2,747,690	\$429,847	\$1,294,457	\$14,500,000	\$8,593,131	\$1,692,109	\$6,000,000	\$1,832,240	\$121,115	\$785,625,757
Bank of Nova Scotia	6,039,801	87,060,822	14,446,733		2,313,366	9,087,375	530,372		118,569	8,206,974	4,696,634	561,885	1,500,000	2,697,457	108,213	233,970,842
Bank of Toronto		55,164,637				4,772,507	314,977		40,974	3,727,126	1,053,351	297,673	930,866			122,320,179
Banque Provinciale du Canada		18,880,551				1,544,013	151,800		497,307	2,208,681	14,445	108,500	200,000		222,899	51,839,548
Canadian Bank of Commerce <sup>3</sup>	19,684,056	211,872,797	20,533,549		5,396,299	23,986,642	2,759,564	2,160,824	2,110,328	15,294,559	14,683,187	1,250,000	8,000,000	3,895,230	343,614	598,135,870
Royal Bank of Canada <sup>4</sup>	37,504,880	301,235,610	122,777,768		3,410,536	13,088,407	2,913,248	2,216,965	960,884	17,222,696	30,525,404	1,700,000	3,000,000	6,308,913	502,595	805,456,539
Dominion Bank	1,949,238	64,482,349	1,741,214			1,943,005	390,247	49,787	15,511	6,084,228	1,292,506	332,475	200,000		101,737	129,683,786
Banque Canadienne Nationale <sup>5</sup>		62,996,227	69,406		5,430,975	11,355,141	181,576	854,379	715,138	5,800,245	431,716	355,283	3,000,000		106,349	146,884,192
Imperial Bank of Canada	500,000	63,463,881			2,088,612	8,037,132	320,285	168,300	495,309	6,421,695	697,900	414,805	1,400,000		193,518	136,349,965
Barclays Bank (Canada)		2,066,819									68,617	11,424				5,181,641
Total	90,095,595	1,136,510,527	192,623,032		32,986,243	114,793,151	10,309,759	6,337,205	6,248,477	79,466,204	62,056,921	6,814,154	24,230,866	14,733,840	1,700,040	3,045,448,019

<sup>1</sup> Of this deposit \$12,530,866 is in gold coin; the balance is in Dominion notes.

<sup>2</sup> The business of the bank in Paris, France, and in San Francisco, Calif., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

<sup>3</sup> The figures of the Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

<sup>4</sup> The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

<sup>5</sup> The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.



If that, Mr. President is a correct analysis of the chain group branch banking then, I think, I would be justified in drawing the conclusion that the United States Senate is being kept in session when night has fallen and some Members are under technical arrest to give America, as a relief measure, this all-important system of banking.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. I think the evidence the Senator is presenting is material and relevant and admissible, and I wanted to inquire of the Senator if he appreciates the fact that the Committee on Banking and Currency made no effort to obtain information respecting the banking policy and system of Canada and other countries having a branch banking system, or, at least, I can find nothing in the printed testimony bearing on that point.

Mr. GLASS. Mr. President, if the Senator from Oklahoma will permit an interruption—

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia.

Mr. GLASS. Of course that is far from the fact. The subcommittee of the Banking and Currency Committee of the Senate made a very thorough and searching investigation of the banking systems of Canada, of Great Britain, and of other countries, extending over a period of nearly six months.

Mr. BLAINE. Will the Senator indicate the printed document in which the Senate may be afforded that information?

Mr. GLASS. Oh, no.

Mr. BLAINE. No.

Mr. GLASS. There are many printed documents that give both the history and an analysis of the banking system of Canada, which are readily accessible to any Senator who wants them and who will apply to the Library for them. I can show the Senator a list of documents quite as high as this desk bearing on every question relating to the banking business. The Senator—for he is a member of the Banking and Currency Committee—ought not to contribute to statements made here that this bill has been fabricated in great swiftness and great hurry and that there has been no examination or investigation into the facts and no hearings upon the problems involved.

Mr. BLAINE. But the Senator will concede that there was no testimony taken before the committee, either the subcommittee or the general committee, that has been printed and is available to the Senate on that proposition.

Mr. GLASS. Oh, the Senator will admit that there were no public hearings by the subcommittee on the Canadian banking system. It would have been futile to have brought officials all the way from Canada at great expense to the Government and in view of the limited appropriation available to conduct the investigation when we have the printed documents that are available to anybody.

Mr. BLAINE. But let me ask the Senator this question: Was there brought before the committee any information, either obtained here in America or in Canada or elsewhere, with respect to the Canadian system and the British system that was made available as a part of the testimony and the record before the Committee on Banking and Currency?

Mr. GLASS. Not in the hearings before the Committee on Banking and Currency, very few of which the Senator from Wisconsin attended, however.

Mr. BLAINE. I heard the report of the chairman of the committee.

Mr. GLASS. Yes.

Mr. BLAINE. And I heard not one single fact developed respecting the practice of branch banking in other countries, except general statements and assertions.

Mr. GLASS. Oh, the Senator heard the report of the chairman of the subcommittee before the general committee, making a detailed explanation of all the provisions of this bill, and it was the privilege of the Senator from Wisconsin then, if he was ignorant of the banking system of Canada or of any other system which related to the problem of branch banking, to have asked for the information or for a

hearing; and the record will show that he did nothing of the kind.

Mr. BLAINE. Mr. President, may I ask another question?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield further to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. When the committee held a hearing the other day on the question of branch banking I believe it was the Senator from Virginia who objected to the holding of that hearing, for the reason that it was not authorized, and the bill was not before the committee.

Mr. GLASS. The Senator from Virginia considers that he was treated with the grossest injustice by the attempt in the Banking and Currency Committee to hold a hearing without proper authority upon a bill that was not within its jurisdiction, and to hear one side of a question upon one provision of that bill without notice to the Senator from Virginia, who had been appointed chairman of the subcommittee to investigate this entire problem. That is what the Senator from Virginia thinks.

Mr. THOMAS of Oklahoma. Mr. President, answering the question submitted by the junior Senator from Wisconsin, let me suggest to him that the men who control the financial policies of America are not ignorant; they are not dumb; they are the wisest men we have; and, if they do not know, as they have at their command unlimited money they hire men to advise them. They have the best minds they can buy. If they could find anyone who could advise them better than their present advisers, their present advisers would be discharged and they would hire the better minds.

These men understand how to get legislation through. They know that if the people understood what they were doing they would have no chance to get legislation through the Congress of the United States. So it is their policy—not that of the Senator from Virginia, but the policy—

Mr. GLASS. What does the Senator intimate? Does he intimate that any of these wealthy men have brought undue or sinister influences upon any member of the committee to obtain legislation?

Mr. THOMAS of Oklahoma. No; I do not.

Mr. GLASS. Then what does the Senator mean—

Mr. THOMAS of Oklahoma. I mean exactly what I said.

Mr. GLASS. When he says that they can hire people to get legislation through for them?

Mr. THOMAS of Oklahoma. I was talking about their advisers, their economists, their attorneys, their hirelings, and I had no reference to the Senator from Virginia.

Mr. GLASS. I did not assume that the Senator had any reference to me.

Mr. THOMAS of Oklahoma. But I am stating a fact, Mr. President, that is known to anyone who has had any experience in legislation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. It is a well-known fact, is it not, that paid lobbyists in State and National legislation, when they are good and efficient, can always be of service to their clients?

Mr. THOMAS of Oklahoma. Mr. President, if they did not render service, they would not receive their salaries.

Mr. LONG. Is not that an established institution in this Capital—paid lobbyists who come here for the purpose of assisting in legislation? Is it not as well known as the rising of the morning sun?

Mr. THOMAS of Oklahoma. Yes, Mr. President; when the people send lobbyists here to work in their interests sometimes they have their rooms raided.

Mr. LONG. Yes.

Mr. THOMAS of Oklahoma. And their private papers taken from their rooms and brought upon this floor; but when big business comes here we are forced to continue in session in the nighttime.

Mr. LONG. That is the difference. If I may ask another question, and base it upon a premise, the Senator has noted the distinction between a lobby representing the people and a lobby representing high finance? One of them comes here

for the people and Congress raids it; the other one comes here from finance and the Senate is forced to hold night sessions. Is that not the Senator's understanding of the situation?

Mr. THOMAS of Oklahoma. It is not only my understanding, but it is the absolute fact; I yield for anyone even to suggest a denial. And it is quite appropriate, by all means, Mr. President, that the country, particularly the 12,000,000 unemployed, should know it. Each unemployed man perchance has a wife, and the average family is five. So, if there are 12,000,000 unemployed to-night, and each of those 12,000,000 has the average family, a wife and three children, multiply 12,000,000 by 5 and we get the astounding total of 60,000,000 American citizens, men, women, and children, to-night without the means of support, being minus jobs.

Mr. BLAINE. Mr. President—

Mr. THOMAS of Oklahoma. I yield to the Senator from Wisconsin.

Mr. BLAINE. In support of what the Senator said a few moments ago, I desire to call his attention to one paragraph of the statement made by Comptroller Dawes before the House Committee on Banking and Currency.

Speaking of the attack that was being made upon the American banking system, and the efforts that were being made to introduce branch banking, he said:

The danger which confronts our present banking system lies in an insidious and gradual undermining influence, which is not so much the growth of a conscious effort to introduce a new system as it is the result of a natural desire to secure temporary benefits for particular individuals and banking institutions, without consideration being given as to the ultimate effects on the highly complicated and efficient machinery of American finance and exchange.

Mr. THOMAS of Oklahoma. Mr. President, I intended to say the same thing, but I did not have the language to use such words as were used in the article just read by the junior Senator from Wisconsin.

Mr. BLAINE. Mr. President, will the Senator yield further?

The PRESIDENT pro tempore. Does the Senator from Oklahoma further yield to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. I make the point of order of the absence of a quorum.

Mr. WATSON. Mr. President—

Mr. LONG. Just a moment. I think the Senator from Indiana desires to move a recess.

Mr. WATSON. Yes.

Mr. BLAINE. I withhold my point of order, then.

Mr. THOMAS of Oklahoma. The Senator withholds the point of order, I understand.

The PRESIDENT pro tempore. To whom does the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Indiana.

#### RECESS

Mr. WATSON. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Indiana.

The motion was agreed to; and (at 6 o'clock and 31 minutes p. m.) the Senate took a recess until to-morrow, Friday, January 13, 1933, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 12, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Christ, the revelation of eternal love and the savior of men, be Thou our personal ideal. Let us seek to be guided by Thy spirit—toiling for the good of our fellows, using our influence and our knowledge to soften the sor-

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rows, lift the burdens, and hasten the day when contentment and good will shall be among us as an everlasting light. May our whole land rejoice in the sentiment of humanity. We plead for more inward vision that shall smooth out exhausting difficulty and that shall give to aspiration mastery, progress, and success. To-day give wisdom and direction to the Congress. May it prescribe sovereign remedies that shall touch the vitals of the Nation with the largest, the best, and the most hopeful future. In the name of the Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### WAR DEPARTMENT APPROPRIATION BILL

Mr. COLLINS, from the Committee on Appropriations, reported the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes (Rept. No. 1855), which was read a first and a second time and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. BARBOUR reserved all points of order on the bill.

#### TARIFF ON TIES FOR BALING COTTON

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD as made before the Tariff Commission this morning touching the proposed increase in the tariff on ties for baling cotton.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Chairman and members of the commission, I have listened with interest to the reading by Mr. Morgan, your secretary, of the list of appearances here this morning and the clients they represent. I seem to be the only one who does not represent some great corporation.

Mr. Morgan neglected to announce for whom I appear. I appear for the American cotton farmer. I am sorry he has no other or better representative appearing in his behalf. However, to the limit of my ability I shall do what I can for him. Over on Capitol Hill Congress is now endeavoring to convey to the farmer some illusionary benefits which he will probably never receive. Here the steel companies are attempting to rob him further, and you have the power to stop them. If I can help convince you that you ought to stop them, I will at least have done for him a practical, if small, benefit.

The legalized robbery of the American cotton farmer through the medium of the tariff has been one of the greatest contributing factors to his present unparalleled distress. It is hoped and believed by most people in our country that the time has almost come when some of the machinery through which certain privileged interests have been enabled to pillage the many for their private benefit will be destroyed. The greatest robber of them all has been the steel business.

The effrontery of the steel interests of this country—or shall I spell the word "s-t-e-e-l"—in pressing for additional spoils at this time from the penurized cotton farmer by raising the tariff and therefore the cost to him of ties to bale his cotton is incapable of adequate description. Here is an industry which has fattened for many decades off unjust tribute levied on the farmer wherever he had occasion to buy its products. The last tariff act, while it pretends to exempt agricultural implements from the tariff, is careful to provide in connection with the exemption that it shall not apply to articles dutiable under title 1 of the act, and title 1 places high tariffs on a great variety of agricultural implements or materials which go into their manufacture, including even tariffs on shovels, spades, forks, hoes, rakes, and scythes, which are taxed at 30 per cent. With practically everything else the farmer has to buy, and certainly every other character of article made of steel, he has to make a contribution through the tariff to organized industry in order to get it. As a partial result of this system the farming interests of the country are brought to bankruptcy; so much so that Congress even now is considering some means of getting a bonus to them above the market value of their products in order that they may be able to survive.

Under these circumstances, Mr. Chairman, I say that it is the most brazen disregard of human rights, it is the most barefaced wrong ever attempted, for the sleek beneficiaries of these unjust laws to come here at a time when the Nation has just demanded their repeal and demand from the pauperized American farmer another pound of flesh, by seeking the increase of the cost of cotton ties through the medium of a tariff raise. It may involve very little—only a few cents on the bale. It is the principle, or rather, lack of principle, of the thing against which I am protesting. You are being asked to further oppress the American cotton farmer